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University of Cape Town



Department of Social Development

‘Post-1994 challenges facing South African NGOs: A case study of six Western Cape Non-Governmental Organizations that have a development focus.’

A minor dissertation submitted in partial fulfilment of the requirements for the award of the degree of Master of Social Science in Social Development

by

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To Jesus Christ, my Lord and Saviour for carrying me through and making this journey possible for me. In Him, all things are possible.

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ABSTRACT

This study examines post-1994 challenges facing six Western Cape NGOs with a development focus in South Africa. It is an exploratory qualitative study that aims to understand the challenges NGOs are facing as they try to promote development strategies in a cash strapped environment. The objectives of the study are to explore: regulatory frameworks such as the Non-Profit Organizations Act (Act 71 of 1997), the National Development Agency Act (Act 108 of 1998), and the Taxation Laws Amendment Act (Act 30 of 2000) that impact on NGOs; the nature and impact of services; the nature of the funding environment; networking, policy and advocacy initiatives; and other challenges that these NGOs identify.

Face-to-face, in-depth interviews were carried out on a non-probability sample of 12 participants from six NGOs. Data was analysed using Tesch's approach to data analysis (De Vos, 2002). The main findings were:

- Despite not having an in depth knowledge of the NPO Act 71 of 1997, the Taxation Laws Amendment Act 30 of 2000 and the NDA Act 30 of 3000, all participants identified the benefits of the regulatory frameworks but noted the challenges with the NDA.
- All NGOs provided services that promoted development. Although all participants identified that the NGOs were making an impact, they did not have proper monitoring and evaluation systems in their organisations.
- All but one of the NGOs identified funding as a challenge. Funding remains one of the main problems that NGOs are facing.
- All NGOs were networked into a broader coalition and identified challenges and benefits from networking with government and civil society.

The main recommendations were for:

- Findings to be made to the participating NGOs to put in place proper monitoring and evaluation tools
- Government to rethink strategies for a more effective NGO-government partnership and to rethink the criteria for allocating much needed funds to NGOs.
- Further research regarding the nature and impact of services should be made.

ABBREVIATIONS

AIDS:	Acquired Immune Deficiency Syndrome
ASGISA:	Accelerated and Shared Growth Initiative of South Africa
CASE:	Community Agency for Social Enquiry
CBO:	Community Based Organization
CSO:	Civil Society Organization
EU:	European Union
GDP:	Gross Domestic Product
GEAR:	Growth Employment and Redistribution
HIV:	Human Immunodeficiency Virus
NDA:	National Development Agency
NGO:	Non-Governmental Organization
NPO:	Non-Profit Organization
PBO:	Public Benefit Organization
RDP:	Reconstruction Development Programme
SANGOCO:	South African Non-Governmental Organization Coalition
TNDT:	Transitional National Development Trust
USAID:	United States Agency for International Development
UN:	United Nations
UNEP:	United Nations Environmental Programme
UNDP:	United Nations Development Programme
WCPGDS:	Western Cape Provincial, Growth and Development Strategy

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

The continent of Africa has been plagued by numerous problems, the biggest being poverty and underdevelopment. For decades, Africa has been attempting to address these challenges through development initiatives that aim to eradicate poverty. Although African governments have put in place policies and strategies that promote development, it could be argued that non-governmental organizations (hereafter referred to as NGOs) have played major roles in promoting development. However, NGOs too have their own internal and external difficulties that hinder the process of development (David, Theron & Maphunye, 2005:67).

In attempting to understand these challenges and therefore provide recommendations within a social development context, this study explores “Post-1994 challenges facing six South African NGOs: a case study of six Western Cape NGOs with a development focus”. It is an exploratory qualitative study that examines challenges NGOs face in relation to five key areas: regulatory frameworks; the nature of the funding environment; the nature and impact of services; the involvement of NGOs in networking and advocacy; and challenges NGOs identify as crucial to their present status.

The context of the study, rationale for the study, main research questions and objectives will be presented in this Chapter. Some concepts will be clarified and ethical considerations will be discussed. The way the researcher feels about the study will be discussed in reflexivity. This chapter concludes with a brief outline of the research report.

1.2 Context of the Study

The geographical context of this study is the Western Cape Province in South Africa (refer to map in Appendix D: 111). The Western Cape is one of eleven provinces in South Africa. It is the second richest province with a GDP of a R130 billion (Statistics South Africa, 2007). It has a population of 3.2 million people and has a thriving agricultural sector that contributes to the

Western Cape's growing economy. This is reflected in the Western Cape Provincial Growth and Development Strategy (WCPGDS, 2006:58) which shows that the provincial GDP grew at 5.3% in 2005.

Cape Town has a 2,500km area that is rich in biodiversity, ecosystems, landscapes and coastal environments. It has a huge tourist sector and displays its natural environment and landmarks such as Table Mountain. However, Cape Town has been facing social and economic development challenges that have had a negative impact on the environment (The Integrated Poverty Reduction Strategy for the Western Cape, 2005:11).

Although the Western Cape is the second richest province in South Africa, it has the highest level of inequality. The gini coefficient measures the levels of inequality, and in 2006, the Western Cape's gini coefficient was 0.62 whilst the nation's was 0.57. This shows that there was unequal participation in the South African economy and hence a wide gap between the rich and poor. However, the gap is even wider in the Western Cape and this shows that, although the economy is growing, the gap between the rich and poor has increased. The percentage of people who participate in the economy is much smaller than those who do not (The Integrated Poverty Reduction Strategy for the Western Cape, 2005:11).

Cape Town is also characterized by a high unemployment rate of 23.16% of whom 41.5% is black, 22.37% is coloured and 6.89% is white. Youth unemployment (between the ages of 16 and 25) is even higher at a total of 80% (The Integrated Poverty Reduction Strategy for the Western Cape, 2005:11). Unemployment is an indicator of a lack of economic development as it "lies at the heart of both poverty and inequality" (Western Cape Provincial Growth and Development Strategy, 2006: 68). The lack of jobs means that there is no source of income and hence the lack of access to resources. This in turn leads to crime and poor health and creates a cycle of poverty for the next generation. The Western Cape Provincial government aims to reduce the unemployment rate of youth to 26.3 % by creating jobs but it is not clear how this is going to be implemented (Western Cape Provincial Growth and Development Strategy, 2006:68).

The high inequality rate has therefore created two economies in the Western Cape. 38.3% of the population in the Western Cape live below the poverty line and lack access to proper

sanitation, adequate drinking water, electricity and, health services (City Statistics, 2007). The Western Cape Provincial Growth and Development Strategy has stated that there have been projects and programmes devised nationally and provincially to address such challenges since 1994(WCPGDS, 2006:58). However, these initiatives have not been successful as a result of poor planning and execution. Although government has improved strategies to address such issues, NGOs have arisen to address such challenges. The next section will provide the rationale for the study.

1.3 Rationale for the study

South Africa faces extreme levels of inequality as illustrated in the Western Cape. There is a high level of unequal distribution of income and services such as health, education and shelter. The poorest South Africans earn less than six percent of the total income whilst the richest ten percent earn more than half of the national income. About 18 million (35.2 %) of the South African population are living in poverty. Over 54% of all South African children live in poverty (White Paper for Social Welfare, 1997).

Even though the South African government embarked on the journey of social and economic reform with sound policies such as the Reconstruction and Development Program (RDP), its focus has been on economic reform, with policies such as the Growth, Employment and Redistribution (GEAR) programme. In addition, the democratic South African government has been criticized for not making social development issues a priority. Adam et al (1997) states that “this situation is exacerbated by the failure of the party system, particularly the ANC, as the natural ally of the marginalized, to take up issues of concern for the poor”. This has reflected a failure, on government’s part, to recognize the importance of the link between social and economic development and the failure to incorporate social development into decision-making at all levels in society.

Heinrich (2001:3) points out that “NGOs can play a crucial role in providing effective channels of interest representation for the marginalized sections of the population thereby assisting in integrating them into the democratic political system”. For South Africa, NGOs have played that role of representing the marginalized to achieve social development. Rams Ramashia, a former president of an umbrella body for NGOs called the South African Non Governmental

Organizations Coalition (SANGOCO), has stated that “the poor expect of us to be their voices when they cannot speak. When we walk along the corridors of power and get to places where they may not be invited to go, and when we dine with the wealthy and powerful, the poor expect us to carry their agenda with us” (Heinrich, 2001:12).

Mitlin, Hickey and Bebbinton (2005:1) state that NGOs “constitute vehicles for people to participate in development and social change”. NGOs also play an important role within the civil society sector as partners in the ongoing reconstruction and development initiatives. They also can, and should, hold government accountable. However, South African NGOs have faced challenges in the last decade and a half emanating from apartheid to democracy. This transition has had an impact on NGOs as it has resulted in changes in regulatory frameworks, the funding environment and the roles NGOs play in South Africa. NGOs doing development work are also fraught with their own institutional difficulties. The challenges that they face internally and externally can and do hinder the promotion of development. Thus, this study focuses on some of these challenges.

The value of the study is that it opens up the debate on the relationship between NGOs and the government. NGOs struggle to survive while doing important development work on the ground and actually fulfil government’s policies and programmes. This study also highlights the critical need for funding so that NGOs can undertake sustainable activities.

Therefore, the significance of this research is to explore and understand the challenges that NGOs with a development focus are facing in relation to regulatory frameworks, the nature and impact of services, the funding environment, their involvement in networking and advocacy, and challenges they identify as crucial to their present status. Exploring the challenges facing NGOs will help to clarify how these challenges are affecting NGOs and will open up the debate for addressing them. A deeper understanding of these challenges will also assist in providing practical recommendations that could facilitate the work of the development sector.

For purposes of this study, a range of six NGOs with various priorities linked to development work was chosen. These NGOs were of special interest to the researcher because, even though their programmes (environmental sustainability, community empowerment, policy and advocacy) were diverse, it was this diversity in itself that served to illustrate the challenges that

different types of NGOs face. All six NGOs claimed a development focus. All of the NGOs met the following criteria crucial to the research:

- located in the Western Cape
- had registered as a Non-Profit Organization under the Non-Profit Organizations Act (71 of 1997)
- had existed for a minimum of five years
- had development programmes as part of their services

1.4 The research topic

“Post-1994 challenges facing South African NGOs: A case study of six Western Cape NGOs that have a development focus.”

In the next section, the main research questions and objectives will be presented.

1.5 Main research questions

The following are the main research questions:

1. How are NGOs affected by present day regulatory frameworks: the Non-Profit Organizations Act (71 of 1997); the National Development Agency Act (108 of 1998); and the Taxation Laws Amendment Act (30 of 2000)?
2. What is the nature and impact of services provided by these NGOs?
3. What is the nature of the funding environment?
4. How are the NGOs involved in networking and advocacy?
5. What challenges do the NGOs identify as crucial to their present status?

1.6 Main research objectives

The following are the main research objectives:

1. To examine how NGOs are affected by present day regulatory frameworks: the Non-Profit Organizations Act (71 of 1997); the National Development Agency Act (108 of 1998); and the Taxation Laws Amendment Act (30 of 2000)
2. To examine the nature and impact of services provided by these NGOs

3. To explore the nature of the funding environment
4. To explore the NGOs' involvement in networking and advocacy
5. To examine the challenges the NGOs identify as crucial to their present status

1.7 Concept Clarification

Concept clarification involves the “concept clarification or analysis of the key concepts in the statement, relating the problem to a broader conceptual framework or context” (Mouton, 1996:5). The following concepts are used within the context of this study and are clarified as follows:

1.7.1 Challenges

A ‘challenge’ is defined as “a demand or difficult task” (Swannell, 1993:166). For purposes of this research, it will refer to the difficulties that NGOs are facing in promoting development. The study will therefore examine challenges NGOs are facing in relation to five key areas: regulatory frameworks; the nature of the funding environment; the nature and impact of services; the involvement of NGOs in networking and advocacy; and challenges NGOs identify as crucial to their present status.

1.7.2 Exploratory Studies

Exploratory studies can be done to “satisfy the researcher’s curiosity and desire for better understanding, to test the feasibility of undertaking a more extensive study and to develop the methods to be employed in any subsequent study” (Babbie, 1997:72). Thus, all three purposes will apply in this research.

1.7.3 Non Governmental Organizations

The definition of NGOs has varied over the years due to the diversity found in the global NGO community. This diversity comes from the differences in size, scope of activities, duration, objectives, cultural contexts, legal statuses and ideologies amongst other things (Princen & Finger, 1994:6). There is no right or wrong definition of the term but this study will examine a few global and regional definitions that are relevant to the study.

David, Theron & Maphunye (2005:67) define an NGO as a “self-governing, non-profit organizations promoting people-centred development” and highlight its main objective as to

“render assistance to individuals or developing communities in order to promote sustainable development at grassroots”. Whilst this definition is service based, the South African Department of Social Development (2005:2) defines an NGO as a Non-Profit Organization that is “a trust, company or other association of persons established for a public purpose; and the income and property of which are not distributable to its members or office bearers except as reasonable compensation for services rendered” (Non-Profit Organizations Act 71 of 1997: Section 1 (x)). However, authors such as Burgess and Burgess (2005:50) argue that in defining an NGO, “a commitment to non-violence is the best respected of principles”.

The definition of an NGO also encompasses its philosophical and ideological stance: “charity in the noble and religious sense of the term...political associations, and local and popular development initiatives” (De Beer & Swanepoel, 2000:10). Other authors have defined NGOs as organizations that are there to provide services that government is failing to provide. Maharaj and Jaggernath (1996:16) state that NGOs are: “non-profit groups outside of government, organized by communities or individuals to respond to basic needs that are not being met by either government or the market”.

Davids et al (2005:10) summarizes the key characteristics of NGOs. These are:

- NGOs are institutionally independent of government;
- They are privately set up (as opposed to being set up by the state) and are normally under the control of independent board of directors or trustees;
- NGOs do not have a profit motive. Any surplus generated during the course of their activities is ploughed back into the organization;
- NGOs are characterized by their voluntary association. This means that those supporting an NGO’s development objectives should have the opportunity to join in its activities as partners in development; and

For the purposes of this study, these key characteristics also define the six NGOs that form the sample group.

1.7.4 Development

The term *development* has evolved over the years to encompass various meanings. After World War Two, forty-three countries met in Bretton Woods, in the United States of America, to

discuss how they were going to repair the damage done by the war. This led to the formation of the Bretton Woods institutions namely, the International Monetary Fund and the World Bank. These institutions were given the main responsibility of restructuring the world economy. They focused on achieving development through economic growth (Bretton Woods Project, 2006). The neo-liberal approach to development was therefore born.

The neo-liberal approach aimed to achieve development through reducing the role of governments in the market by privatizing government services such as education, telecommunications and municipal services. (Kiely, 1998:1). However, some authors say that the neo-liberal approach has failed to recognize the human aspect of development. Sewpaul and Hölscher (2004:4) state that in South Africa, the adoption of neo-liberal policies such as the Growth, Employment and Redistribution (GEAR) strategy, has led to the constraining of job creation capacities as large proportions of the population is unskilled. Habib and Padayachee (2000:24) in addition state that “increasing unemployment and economic inequalities associated with neo-liberal policies have... pushed even more of South Africa’s population into the poverty trap”.

In 1991, the Human Development Report (UNDP, 1991:10) stated that the “basic objective of development is to enlarge the range of people’s choices to make development more democratic and participatory. These choices include access to income and employment opportunities, education, health and a clean and safe physical environment”.

The South Commission chaired by Julius Nyerere defined development as “a process which enable human beings to realize their full potential, build self-confidence, and lead lives of dignity and fulfilment. It is a process which frees people from the fear of want and exploitation” (Report of the South Commission, 1990:10).

Other authors such as Korten (1990) defined development as a “process by which the members of society increase their personal and institutional capabilities to mobilize, manage resources and produce sustainable development consistent with their own aspirations”. Stewart and Kotze (1997) stated that development is a “positive social, economic, and political change in a country or community”.

Thus, the definition of development has shifted to include a people centred approach to development. The Human Development Report emphasized that “development, must, therefore be more than just an expansion of income and wealth. Its focus must be people” (UNDP, 1991:10). This has led to the term development encompassing both economic and social growth.

In South Africa and therefore in this study, “development” is used interchangeably with “social development”, especially since 1994. One cannot discuss one term without the other. The mobilizing of resources, institutions and people to promote development can be referred to as social development. Social development is a “process of planned change and action by individuals and institutions such as civil society, NGOs and government designed to promote the well being of a population as whole” (Midgley, 1995:25). This concept is going to be discussed further in Chapter Two.

In the next section, ethical considerations will be presented.

1.8 Ethical Considerations

The following section will discuss ethical considerations that include harm to participants, informed consent, deception of participants, violation of privacy and access to findings.

1.8.1 Harm to participants

Care was taken so that the participants of the study would not be harmed. This was done by informing them about the nature of the research as well as discussing the potential harm inherent in the process. Sensitive information was dealt with sensitively.

1.8.2 Informed consent

Informed consent was obtained from the participants before conducting interviews. This was done by giving participants all the “information on the goal of the investigation” and the “procedures which will be followed during the investigation” (Strydom, 1998: 25). The goal and objectives are presented in the letter requesting permission for the participants to participate in the research (Appendix A: 101).

Participants were allowed to choose whether to participate or not participate in the research by being made aware of their rights before the interviews were conducted. This process allowed for the non-violation of their rights (De Vos, 2002).

1.8.3 Deception of participants

The researcher did not withhold information about the research to manipulate or deceive the participants. She was very clear about the goals of the research and how the information would be used.

1.8.4 Violation of privacy

The researcher ensured participants' confidentiality. This was done by asking for permission to use the digital recorder, as well as assuring participants that their names would not be revealed in the research. Instead, their names were assigned numbers to provide anonymity.

1.8.5 Access to findings

The participants were made aware that the research was mainly for academic purposes. However, they would have access to the summary of the findings. In addition, if possible, the findings would be made known in a journal article.

1.9 Reflexivity

It is important for the researcher to identify and recognize her own assumptions, biases and feelings she has about the research. Reflexivity is defined as the "explicit recognition and examination of the researcher's role in the research process including the assumptions with which they operate, their identifications and dis-identifications and their possible influence on the research process" (Blanche, Durheim & Painter, 2006:482).

For the researcher, being a foreigner might have contributed to the challenges of not fully understanding all the political implications of the context. However, reading extensively on the South African context and asking for supervisory guidance helped to overcome this challenge. Pre-conceived assumptions of challenges that NGOs face in general could influence the formation of questions that would be asked during the interviewing process. However, reading extensive literature and asking open questions that allowed the participants to provide their own perceptions helped to overcome this limitation. The researcher felt like a 'novice

researcher' since this is her first research project that she conceptualized from the beginning. Interviewing the participants also proved to be a challenge as the researcher is not an experienced interviewer but was encouraged throughout the process.

1.10 Chapter Outline

The structure of the research will be as follows:

Chapter One: Introduction

This chapter contains the introduction to the study, context of the study, rationale, main research questions and objectives. It provides a conceptual framework as well as ethical considerations and introduces the reader to the research.

Chapter Two: Literature Review

A literature review is presented in this chapter. It examines literature from different authors based on the objectives of the study. This chapter discusses various debates surrounding the concept of development and social development. It presents an overview of NGOs and focuses on the history of South African NGOs and how they exist in the present day. It also provides a discussion surrounding the challenges NGOs face.

Chapter Four: Discussion of Findings

This chapter presents the findings of the study and provide an analysis of the research findings.

Chapter Five: Main Conclusions and Recommendations

This chapter concludes the study by providing the conclusions to the study based on the research objectives. It then provides recommendations to various stakeholders who are involved in promoting social development. These stakeholders are government, NGOs, civil society and society as a whole.

The next section presents the literature review.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, an overview of relevant literature pertaining to the study's focus will be presented. The literature review will allow for "a clearer understanding of the nature and meaning of the problem that has been identified" (De Vos, Strydom, Fouche & Delport, 2005:64). The key themes of the literature review are:

- Theoretical models: understanding social development; Sen's approach to development
- Social development policy framework in South Africa
- Non-governmental organizations: a global overview; the nature and impact of NGO services; networking; advocacy; civil society, NGOs and government
- South African NGOs: history of NGOs in South Africa; post 1994 transition process; the funding environment; and regulatory frameworks

In the next section, theoretical models will be presented.

2.2 Theoretical Models

Midgley's (1995) and Sen's (1999) conceptualizations on development and social development will serve as theoretical models for this study.

2.2.1 Understanding Social Development

The United Nations define social development as "the continuous promotion of more equitable distribution of opportunities, income assets, services and power in order to achieve a greater equality and equity in society" (United Nations, 2005:5). However, for the purposes of this study, the understanding that Midgley (1995) gives to the concept "social development" will be used to underpin the conceptual thinking of this study.

Midgley (1995: 25) defines social development as a "process of planned change and action by individuals and institutions such as civil society, NGOs and government designed to promote

the well being of a population as whole”. Both of the above definitions of social development encompass two very important issues. Firstly, planned change to promote the well-being of a population and secondly, the promotion of equal distribution of opportunities in order to achieve a greater equality in society. For planned change to occur, institutions such as government and civil society have to put together strategies that promote the well-being of societies. In addition, development occurs when institutions and individuals promote access to equal opportunities. According to Midgley (1995:90), social development may encompass individualist or liberal ideology, communitarian ideology and collectivist ideology.

Individualist or liberal ideology states that the “ideal society is one in which the individual is accorded primary importance...endowed with natural rights, freedom, rational choice and the ability to determine their own future. Individualism is a powerful theme in the Western Culture” (Midgley, 1995:89). Social development therefore, seeks individual wellbeing by removing institutional, social and personal barriers through the promotion of social and economic participation of individuals.

The individualist approach to social development also seeks to deliver outcomes associated with sustainable development because of the emphasis on local self-reliance. Local self-reliance could mean individuals carrying out subsistence farming projects that allow for the protection of the environment as well as bring in income to their households. The World Commission on Environment and Development (WCED, 1988:8) stated that for development to be sustainable, it has “to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs”. Midgley (1995:90) also points out that the proponents of this approach to social development vary in relation to support for levels of government intervention to foster job creation, and local economic development.

The communitarian ideology (also known as the community-based approach to social development) focuses on people and their right to determine their own lives. The community-based approach stresses that “the most effective and enduring development programmes are those that are created and managed by the local people themselves” (Midgley, 1995: 115). Gray and Crofts (2008:90) point out that communitarians believe in private ownership, but at the same time stress the need for co-operative effort which is at the centre of most community

based interventions where local people organise internal and external resources to meet basic needs.

Although the community-based approach to social development allows for a “process of establishing, or re-establishing, structures of human community within which new ways of relating, organising social life and meeting human need become possible” (Midgley, 1995: 90), it also allows for external sources such as government and civil society to sponsor different initiatives. However, critics have argued that the achievements of government sponsored community development should be scrutinised, as these initiatives use the term *community* to “commend apparently cheaper community based services, while purporting to imply much more” (Bryson & Mowbray, 2005:90).

The collectivist ideology promotes collective ownerships and statism, the state being the “ultimate collective” (Midgley, 1995:91). Midgley (1995: 124) points out that social welfare and economic development have been fostered by governments. This is more evident in Western countries such as the United States of America and the United Kingdom, which have adopted a social welfare system. He highlights that this phenomenon occurs as well in the Third World and “many governments today continue to exercise the responsibility for both economic and social development” (Midgley, 1995:125).

Collectivist ideology also emphasises the need to “harmonise social policies with measures designed to promote economic development” (Midgley, 1995:1). Midgley states that social development identifies with goals of welfare statism and holds governments responsible for individual welfare and social development. He insists on the proactive role of the state in managing community, familial and market mechanisms. The social development approach provides a particular perspective on social policy that must be driven by government.

Midgley (1995:139) stresses the importance of harmonising these three aforementioned ideologies. He points out that social development has an institutional perspective that seeks to mobilise diverse social institutions including the market, community and the state to promote people’s welfare (Midgley, 1995:139). This is done through the individual, communitarian and collectivist approaches that can be “integrated to promote the attainment of social development goals in conjunction with a dynamic process of economic development” (Midgley, 1995: 139),

with governments playing a leading role through an “activist administrative style” (Midgley, 1995: 140).

Therefore, the distinguishing feature of social development as a whole, is the harmonising of social policies and programs with measures designed to promote economic development through education, public works, housing, welfare, health and transport. This also encompasses social policy. Ortiz (2007:6) defines social policy as “social services such as education, health, employment, and social security”. He also states that social policy is also about “redistribution, protection and social justice” (Ortiz, 2007:6). This definition embraces Sen’s definition of development as it includes access to political freedoms, social opportunities, transparency guarantees and protective security (Sen, 1999:3, 39).

In the next section, Sen’s approach to development is explored.

2.2.1 Sen’s approach to Development

Sen (1999:39) argues that the expansion of human freedom should be viewed as the primary means to development. Development is thus viewed as part of freedom. Sen (1999) considers five types of freedoms essential in achieving development. These freedoms are interconnected and the lack of one freedom can lead to the lack of another, consequently hindering the process of development (Sen, 1999:3). These freedoms are: (i) political freedoms, (ii) social opportunities, (iii) transparency guarantees, (iv) economic facilities (v) protective security (Sen, 1999:3). NGOs engaged in development work should take into account these five freedoms.

Political freedoms refer to the right to vote, the right to be heard and the right to political freedom. The apartheid system in South Africa hindered political freedoms for the majority of people. However, NGOs have played a role ever since to ensure that citizens of South Africa do have a right to vote. Diamond (1997) points out that a strong civil society is regarded as crucial in determining whether a democracy succeeds or fails. Heinrich (2001:3) confirms this by saying that NGOs play an important role in “providing effective channels of interest representation for the marginalized sections of the population, thereby assisting in integrating them into the democratic system” in cases where the interests of the poor are not represented in the public policy agenda.

Transparency guarantees refer to the “freedom to deal with one another other under the guarantees of disclosure and lucidity” (Sen, 1999:39). Sen (1999:40) points out that government should “have clear instrumental roles in preventing corruption, financial irresponsibility and underhand dealings”. Therefore, governments have the responsibility of being transparent so that their citizens can hold them accountable and ensure that they manage resources in a way that promotes development. NGOs have been instrumental in ensuring transparency and accountability through lobbying and advocacy, as well as acting as watchdogs for government. At the same time, NGOs themselves have to be democratic and transparent.

Social opportunities refer to “the arrangements that society makes for education, health care and so on which influence the individual’s substantive freedom to live better” (Sen, 1999:39). These freedoms allow individuals to survive and to participate in economic activities that in turn promote development. The lack of these social opportunities could lead to poor health care and that could lead to the inability to work and therefore hinder economic activity and, hence, promote a cycle of poverty. Midgley’s (1995: 139) approach to social development encourages the harmonising of policies and programs that promote development through education, health care, housing and public works.

South Africa has seen the rise of NGOs that provide these social opportunities. The Department of Social Development in South Africa stated that 32, 532 organizations, that were registered under the NPO Act of 71 1997, worked in the areas of areas of culture, and recreation, development, housing, education, environment, health, law, advocacy, politics, volunteerism, religion and social services (Heinrich, 2001). This shows that NGOs are contributing to development by providing these services. At the same time, the impact of these services, as well as their costs, need to be evaluated and monitored.

Economic facilities refer to “the opportunities that individuals respectively enjoy to utilize economic resources for the purpose of consumption, or production or exchange” (Sen, 1999:38-39). These opportunities refer to one’s ability to access assets or one’s entitlement for assets. It also refers to an individual’s or family’s economic entitlement. In developing countries, such as South Africa, economic facilities are very difficult to access for those who are poor. However, NGOs have played roles in putting in place programmes that allow the disadvantaged to have access to economic facilities. In South Africa, NGOs that work with

individuals and organizations to relieve poverty and unemployment through self-help work and micro-enterprises, as well as provide adult basic education for those who did not have the chance to go to school (Nzimakwe, 2008:95), assist in enhancing economic opportunities. Access to education provides a tool for one to gain employment and as a result income that increases the chances of accessing economic opportunities.

Protective security refers to “freedom from deprivation, which involves fixed institutional arrangements such as unemployment benefits and statutory income supplements, social grants, pensions as well as *ad-hoc* arrangements such as famine relief” (Sen, 1999:40). NGOs have worked together to provide assistance in countries that have faced famine or do not have access to adequate grants. NGOs such as World Vision have played a major role in famine relief by providing food and other essentials to those that are vulnerable.

Sen (1999:3) stresses the importance of the interconnectedness of these five freedoms and the lack of one can lead to the lack of another. Thus both Midgley’s (1995) and Sen’s (1999) notion of development is considered as the conceptual framework for this study.

Social development policy in South Africa will be presented in the next section.

2.3 Social Development Policy in South Africa

During the apartheid years, South Africa had a formal voluntary welfare sector, which was heavily subsidized by the apartheid government, and an informal alternative welfare sector to provide social services. In 1994, the government adopted a development and more people centred approach to service delivery. The Reconstruction Development Program (hereafter referred to as RDP) was created to meet basic needs, promote urban and rural development, democratize and reform institutions and to restructure the economy (RDP White Paper, 1994). It laid the foundations for social development in South Africa (Gray & Lombard, 2008:133).

The RDP was a starting point in adopting a social development framework. Its basic principles were to; acquire an integrated and sustainable programme that was people driven which promoted peace and security; which was nation building through reconstruction and development; and finally, which promoted democracy (RDP White Paper, 1994). This strategy

embraced Sen's (1999:40) expansion of protective security freedom, which promoted "freedom from deprivation" and freedom from lack of security. This policy was to enable an environment that promoted social and economic development simultaneously. However, the RDP was seen as ineffective and a failure to many because of lack of funding, insufficient staffing, poor co-ordination of institutions and poor implementation strategies (Chagunda, 2006).

In 1997, the White Paper for Social Welfare (Department of Welfare, 1997) was developed as a policy that sought to serve as a guideline to social development and to respond to the socio-economic needs of South Africans, especially those who were previously disadvantaged and poor (Department of Welfare, 1997).

The vision of the White Paper for Social Welfare stated that it "facilitates the development of human capacity and self reliance within a caring and enabling socio-economic environment". Its mission is to "serve and build a self-reliant nation in partnership with all stakeholders through an integrated social welfare system which maximizes its existing potential and which is equitable, sustainable, accessible, people-centred and developmental" (White Paper for Social Welfare, 1997:9). This embraces Midgley's (1995:139) approach to social development, which promotes the mobilisation of diverse institutions including the market, community and the state to promote people's social and economic welfare.

The Paper also referred to an "integrated and comprehensive system of social services, facilities, programmes and social security to promote social development, social justice and the social functioning of people" (White Paper for Social Welfare, 1997:9). The White Paper clearly embraced the principles of social development and sought to achieve this by promoting partnership between "government, and organizations in the private sector who were involved with the delivery of social services" (White Paper for Social Welfare, 1997: 10). The government adopted the combination of the collectivist and institutional approach to social development as it sought to mobilise diverse social institutions, including the market, community and the state, to promote people's welfare (Midgley, 1995:139).

Parallel to the process, the government then launched a Growth, Employment and Redistribution (GEAR) in 1996, which aimed to promote economic growth and alleviate poverty. GEAR sought to promote the alleviation of poverty by focusing on budget deficit

reduction and cautious monetary policy (Chagunda, 2006). This strategy was adopted as part of the response to the global macro-economic policy framework rooted in neo-liberalism.

In addition to GEAR, the Accelerated and Shared Growth Initiative of South Africa (hereafter referred to as ASGISA) was established in 2006 to reduce poverty by 2010 and to halve unemployment by 2014. It aimed to improve policy implementation and improve economic growth by addressing the “lack of skilled and committed staff in public service, lack of human resource to implement policies, inadequate financial resources, corruption and mismanagement of funds, lack of people-driven development, lack of proper co-ordination between institutions and barriers to entry, limits to competition and limited new investment opportunities” (Chagunda, 2006). It also had six initiatives: macro-economic issues, infrastructure programs, sector investment strategies, skills and education initiatives, secondary economy interventions and public administration issues. ASGISA is an ongoing policy and the goals and objectives are yet to be realized.

These two strategies reflected the neo liberal approach to social development that promoted economic growth first and the benefits of that growth to trickle down to the poor (Corell, 2008: 458). The neo-liberal approach refers to a “dramatic shift in societal power balances in favour of corporate capital, which has been exerting pressure on governments to implement policies that seemed to favour capital accumulation strategies” (Hölscher, 2008: 116).

It was evident that the South African government adopted an economic-driven approach to social development. This was illustrated in the preamble to the White Paper to Social Welfare (1997:2) which stated that “since resources are limited, tradeoffs must be made between investment in economic growth and human resources, and the investment in a social safety net, welfare expenditure will only be able to expand as higher economic growth rates are achieved” (White Paper for Social Welfare, 1997:5). This echoed Redclift (1984:20) that in most societies, the future benefits and costs of protecting the environment are valued less, relative to the current benefits and costs.

Although GEAR did improve economic growth by 3% in 2003, to 4% in 2004 and 5% in 2005, as well as curbing inflation by reducing government expenditure through privatizing public assets, it did not alleviate the challenges of social and economic development. It failed to meet

the needs of the poor and also did not improve the unemployment rate and reduce the inequality gap between the rich and the poor (Chagunda, 2006). Due to these circumstances, the promotion of economic growth over the social development paradigm resulted in widening the inequality gap between the rich and the poor in South Africa (Chagunda, 2006).

In addition, efforts made by the government to put in place programmes that targeted the disadvantaged population were hampered by mismanagement. A study conducted by Poggenpoel and Oliver (2005:31) showed that the Department of Social Development had been unsuccessful in spending money allocated to the Poverty Relief Fund. This fund was introduced in 1997 to make funding available to projects and programmes directed at poverty relief. However, no explanation was given as to how the money was distributed and why it was not allocated appropriately (Hölscher, 2008:118).

Midgley (1995) argues against a neo-liberal approach to social development and instead suggests that governments should put in place strategies that promote both economic and social growth. He states that governments must “use their existing social planning and human service programs to address the pressing unmet needs of the poorest in developing countries” (Midgley, 1995:133), rather than addressing poverty through economic growth alone (Gray & Crofts, 2008:92).

A similar view is put forth by Ortiz (2007:7) who argues that economic and social development policies must be simultaneously pursued and states that “poverty and inequality inhibit growth, depress domestic demand and hinder national economic development...developing countries with high inequality tend to grow slower”.

The prioritization of economic growth over social development, which is an equal expansion of social and economic growth, has resulted in the growth of civil society, namely, NGOs to undertake the task of promoting social development. The White Paper for Social Welfare (1997:6) stated that “South Africa has a fairly developed social security system and a rich institutional framework of welfare service delivered by non-governmental organizations”. Therefore, the presence of NGOs was and still is very crucial for the promotion of social development in South Africa. The nature of NGOs both globally and in the South African context will be examined in the next section.

2.4 Non-Governmental Organizations

This section will provide an overview of NGOs in relation to: a global paradigm; the nature and impact of services; networking; advocacy; NGOs and development, civil society; NGOs and the government.

2.4.1 A Global Overview

David, Theron and Maphunye (2005:67) define an NGO as a “self-governing, non-profit organizations promoting people centred development” and highlight its main objective as to “render assistance to individuals or developing communities in order to promote sustainable development at grassroots”. Several international and national NGOs have emerged to become popular over the years. However, NGOs were not as popular as they are in the last decade. Local NGOs of various kinds worked relatively unnoticed in most societies for generations in the form of religious organizations, community groups and organized self-help ventures in villages and towns (Anheier, 2000). Lewis (2007:38) gives an example of how literature in West Africa in the 1950s and 1960s contains accounts of voluntary organizations which helped to integrate urban migrants into their new social and economic surroundings but were not necessarily defined as NGOs.

However, NGOs have gained significance overtime. Lewis (2007) points out that development thinking has evolved over the years and there has been a greater need for people-centered approaches. Both North and South countries have developed a greater variety of NGOs (Korten, 1990). Many development agencies perceived that governments of both North and South countries had not performed well in the fight against poverty. Given the poor service delivery by governments, a search for alternatives led to a greater recognition of the role of NGOs (Lewis, 2007: 39).

Governments could only initiate, implement and monitor development activities according to their capacity. Other critics such as Fisher (1998:2) attribute government’s poor delivery to the long-term consequences of their own ignorance, corruption and lack of accountability. In South Africa, sluggish service delivery is attributed to a lack of capacity to roll out development initiatives as well as corruption and financial mismanagement (Green Paper for Environmental Sustainability, 1996).

The mismanagement of government of services and the increasing growth rate of poverty has led to the growth of NGOs worldwide. The most significant growth has been from this century, especially since the 1980s. A study indicates that there are more than 6,000 NGOs in Latin America and the Caribbean and most of them were formed since the 1970s (Princen & Finger, 1994:2). Brazil witnessed a growth of NGOs from 400 NGOs in 1985 to 1,300 in 1991. In Kenya, an increase of NGOs from 400 to 600 showed growth and India saw a growth of NGOs up to 12, 000 and these numbers excluded thousands of local groups. Directories of NGOs have also expanded over the years. The World Directory of Environmental Organizations lists 365 international environmental NGOs in one chapter (Princen & Finger, 1994:2). The South African directory of NGOs has 3,460 NGOs listed in its directory (PRODDER, 2010).

The role of NGOs in the development sector has therefore increased in the last decades. Countries in Africa such as South Africa have witnessed an increase of NGOs, which have been involved in peace building, humanitarian assistance, community development, social movements, policy and advocacy (Wessels & Pauw, 1999).

Maharaj and Jaggerath (1996) identified various reasons for the growth of NGOs. Some of the reasons were: interests in institutions that promoted development outside the public sector was growing amongst donors and national governments; funds were becoming easily accessible for development projects; NGOs (as mentioned earlier) were providing better services than government to the poor; NGOs were able to mobilize public participation and advocate for the poor; and NGOs increasingly became more effective in influencing policy at a national level.

Therefore, NGOs now play a crucial role in society. The next section presents the nature and impact of services provided by NGOs.

2.4.2 The Nature and Impact of NGO Services

Najam (1996) points out that there are four distinct roles of NGOs. These roles are service delivery, advocacy, innovation and monitoring (Najam, 1996). Carroll (1992) points out that service delivery is the most visible and observable role that NGOs play in development work. This role encompasses NGOs providing goods, services and needs that are unavailable to certain communities. NGOs may decide to provide these services themselves or can be contracted by government to do so (Carroll, 1992).

NGOs are involved in service delivery activities that are mainly in environmental sustainability, health, education and less documented areas such as housing, legal services, research and conflict resolution (Lewis, 2007:132).

NGOs also strengthen the already existing public delivery systems through providing research into unmet needs and innovative responses to delivery problems. Carroll (1992) points out that NGOs that implement services which are empowering act as catalyst for other developmental changes. The concept of empowerment hence embraces the participation, and involvement, of the poor as part of the process of their own development (Carroll, 1992).

Hence, the impact of services greatly depends on whether people are part of the process and whether their real needs are being met. Pieterse (1995) states that NGOs need to engage with communities and understand needs that are being met. Thus, the impact of services would be poor if NGOs lose sight of their original objectives and become involved in less than ambiguous goals (Lewis, 2007: 139).

Measuring the impact of services is therefore important. However, Lindenberg and Bryant (2002:237) state that, in an analysis of twelve prominent international NGOs, it was sad to see that the NGOs did not know much about monitoring and evaluation processes which were needed in order to measure the impact of services on recipients. Lewis (2007: 158) continues to state that there is a relative lack of importance of evaluation as a tool for improving performance. Some NGOs have hesitated to conduct evaluations because of lack of tools or time. Other NGOs who have been subjected to evaluations have been less than pleased with their results and have hence done without them (Lewis, 2007: 158).

However, Riddell and Robinson (1995:44) point out that: “evaluation techniques should be able to assess performance results against objectives, and benefits against cost, and in so doing identify strengths and weakness in a way which can have a positive impact on the effectiveness of projects and programs”. Therefore, evaluation and monitoring are important in order to measure the impact of services.

2.4.3 Networking

Networking has become a buzzword in the NGO community in the recent years. It is now being suggested as an important means to further development in poor communities and to “disseminate knowledge and information, to enhance empowerment, and to influence decision-makers and development agencies at various levels: locally, national and internationally” (Holmén, 2002:3). It has also been seen as an essential avenue for development agencies and NGOs in Third World Countries (Alders et al, 1993; Nelson & Farrington 1994; Holmén & Jirström, 2000).

According to Holmén and Jistrom (2000), most NGOs are small in terms of impact, economic turn over and staff. They are not likely to make a huge difference by themselves. Networking is important therefore to scale up activities and improve the impact that NGOs make. However, many networks are short lived due to the independence that NGOs safeguard (Stremlau, 1987).

However, if networks are utilized, they can enhance the efficiency and impact of NGOs. They are a communication device that link organizations that share common values or objectives. Theunis (1992) points out that networks “allow organizations...to confront growing challenges without having to enlarge their formal structure. Individual weakness may be overcome inherent to the network’s member institutions”. Holmén (2002:6) points out that for networking to be effective, it requires active participation from all participants of the network and all participants should contribute information.

However, there are disadvantages to networking amongst NGOs. In most NGOs, networking is not the most important activity of organizations and hence becomes the secondary role. Networking also tends to be informal, as it usually occurs between individuals of organizations rather than through a formalized institution. In many networks, an organization would have to take the leader role but, since networking is an invisible activity, it is difficult to see the benefits of networking and difficult to set aside financial means to sustain it (Alders et al, 1993).

Expectations of different NGOs in a network might differ and hence have different objectives and values even if they are working together. Thus Tauber, Hahn and Heid (1993: 255), point out that “a network consisting not of protagonists solely from the same background (e.g. all

farmers) but integrating different levels....must define its aims, its methods, its language according to the needs of its weakest partners”.

It can thus be seen that networking has many advantages but also many weaknesses if networks are not set up in a manner that promotes service delivery from NGOs. Advocacy will be examined in the next section.

2.4.4 Advocacy

Lewis (2007: 143) points out that the second major role of an NGO is advocacy. He states that advocacy involves NGOs making arguments for or against a particular cause or a course of action. He goes on to say that advocacy is when NGOs seek to advance the interests of underrepresented groups through negotiations with power stakeholders (Lewis, 2007: 143). In South Africa, NGOs advocate by direct action through the media or confronting government, and some NGOs are driven by the need to influence policy through advocacy (Cherret, Okeefe, Heidenrich & Middlebrook, 1995). NGOs in South Africa linked to SANGOCO may use this coordinating body to lobby.

Furthermore, Young (1992) states that advocacy NGOs differ from service delivery organizations in that they are trying to change the wider status quo rather than meet people's immediate needs. Bratton (1990) emphasizes the point that achieving real voice is about influencing those introducing policies or altering them. Korten (1990) agrees by stating that development is about addressing root causes rather than simply curing some of the problems. He points out that moving from just providing for people's needs, to advocacy is a sign of an organizations growing maturity. Speaking out for policy change is a crucial part of advocacy according to Lindenberg and Bryant (2001: 171).

Hence, it is clear from the authors above that advocacy and policy are crucial roles that NGOs must engage in. The next section is going to examine the relationship between civil society, NGOs and government.

2.5.5 Civil Society, NGOs and Government

The role of civil society is very important in understanding social development. This is because social development is a process that involves the ongoing transformation of the relationship

between, the government, the market and civil society. The three structures are related and the nature of intervention changes when government, businesses and civil society work together. Therefore, in this regard, the understanding of civil society and the relationship between NGOs and civil society becomes important (Mitlin, Hickey & Bebbington, 2006:5).

Civil society is hence a space where NGOs emerge and operate. Since the 1990s, the concept of civil society has been 'grabbed' by NGOs as one relating closely to their own natural strengths. On the surface, civil society is intimately connected with the role of local community associations or groups and with the NGO sector (Pearce, 2000:126).

Cohen and Arato (1992:3) define civil society as a "sphere of social interaction between economy and state, composed above all of the intimate sphere (especially the family), the sphere of associations (especially voluntary associations), social movements, and forms of public communication. Modern civil society is created through forms of self-constitution and self-mobilization". NGOs fit into this definition as part of civil society.

There are many schools of thought about the relationship between civil society and the state (government). Jefferies (1993) has argued for the traditional view that a strong state is a prerequisite for a strong civil society. However, it is the weakness of the state that has given rise to a stronger civil society. In some countries, "it is the very weakness of the state, its failure to provide services or to engage in the local development process, which has stimulated a thriving voluntary sector, and with it, a strong and vocal civil society" (Pearce, 2000: 131).

NGOs therefore, assume the role of agents of change because citizens alone as an unorganized movement cannot. The reason that NGOs assume the critical role of change is that governments tend not to promote fundamental change, especially in an economic system dependent on ever-increasing throughput of resources (Pearce, 2000:11).

Midgley (1986:154) states that "since the least organized and marginalized sections of society have little opportunity to influence government, their interests are not likely to be served by state involvement in community participation". NGOs are therefore not only more likely to serve the interests of the poor but are capable of initiating schemes that increase the

organizational power and, consequently, the political pressures that can be exerted by poor people.

Furthermore, weak states may leave vacuums of power that other organizations or individuals can fill. This could lead to corruption and prevent the developmental process from occurring. Pearce says that the “state may be relatively large with numerous ministries and offices right down to district level, but its very size, and the often bloated nature of the bureaucracy, can only serve to fuel corruption and external influence. These are powers which dominate the weak state, making it powerful without being capable of governing effectively” (Pearce, 2000:132). The state can also play a contradictory role. Pearce argues that the state as “part savior” may be a vehicle for social change and equality but as “part villain” can lose sight of the common good in pursuit of its own bureaucratic agenda (Pearce, 2000: 131).

Allan Whaites (1998) suggests that it is wrong to see the pursuit of development as a nurturing factor towards a strong civil society while ignoring the weakness of an ineffective government. He continues by pointing out that readdressing such imbalances should be the aim of development on the understanding that an effective government structure is just as essential to development as a strong civil society. Nzimakwe (2008:94) argues that even though NGOs have an important role to play in the development process, governments must not abandon their role but must take ownership and collaborate with NGOs.

For de Tocqueville (in Pearce, 2000), civil society is a defensive counterbalance to the increased capabilities of the modern state. It provides a realm in which society interacts constructively with the state, not to subvert and destroy it, but to refine its actions and improve its efficiency. Clarke (1998) points out that NGOs can oppose, complement or reform government but they cannot ignore it. Nzimakwe (2008: 93) stresses the importance of NGOs working with government because of the strategic development and impact that NGOs have on public activities. The author also highlights the argument that if government is not able to provide all the services, then it should utilize NGOs to perform these functions (Nzimakwe, 2008:93).

Lewis (2007:173) agrees and states that NGOs must realize that their impact will be limited unless they form partnerships with governments. NGOs themselves cannot be effectively

understood without reference to the governments with which they seek to work or to struggle against.

Others have argued that NGOs have been co-opted into neo-liberalism and are seen by government as tools for maintaining or extending their power (Fisher, 1997). This is reflected in Ferguson and Gupta's (2002: 99) argument that "the outsourcing of the functions of the state to NGOs and other ostensibly non state agencies, we argue, is a key feature, not only of the operation of national states, but also of an emerging system of transnational governmentality". Whilst government may take credit for successful NGO work which brings increases in living standards, its legitimacy may also easily be threatened or brought into question through the exposure of its inability to deliver by NGOs (Lewis, 2007: 43).

A close relationship with government can also bring identity problems and organizational tensions within NGOs, especially if they initially had "opposition to the government as strategy" (Lewis, 2007: 174). Pearce (2000:134) argues that there is nothing wrong with NGOs working alongside state structure, but NGOs should be aware of the long-term consequences of replacing government in service provision. He continues to say that, NGOs working together with government through programmes (such as health programmes) help to bring the state more actively into community life and in the process raise local expectations of the state (Pearce, 2000: 135).

However, Heinrich (2001:2) argues that the role civil society has played has been holding government accountable for its actions and providing information to citizens (Heinrich, 2001:2). He continues to argue that, in South Africa, NGOs have played the roles of "schools of democracy in mitigating societal conflicts, and as effective channels of interest representation for the poor" (Heinrich, 2001:2).

Whilst some authors suggest that the South African government served common interests in the fifties and sixties (Mackintosh, 1992), other critics disagree. There was a lack of identifiable common interest in society because of the fragmentation of interests produced by race, class, ethnicity, gender and age and, hence, government served the interests of the middle class and upper class (Lewis, 2007: 173). In South Africa, the interests of the white minority were served. Government officials were more likely to act in their own interests rather than in the

common interests of the country and, hence, to put in place bureaucratic structures to obstruct rather than facilitate development initiatives (Lewis, 2007: 173).

However, NGOs that were formed under conditions of political oppression might find it difficult to trust or work with government even when the political situation has changed. Other NGOs which have their roots in struggles against repressive states, such as in pre-1994 South Africa or in Palestine, may find that their roles are less clear. Government may still be inefficient and bureaucratic in a democratic setting and this could be hazardous for NGOs who choose to work with government. NGOs themselves could be caught up within the bureaucracy and hence become less effective (Lewis, 2007: 174). The next section examines NGOs within a South African context.

2.5 South African NGOs

This section presents the history of NGOs in South Africa, the transition process, the funding environment and the regulatory frameworks.

2.5.1 History of NGOs in South Africa

South African NGOs have faced transitional issues that have resulted from the change of the political environment since 1994. The role of NGOs before apartheid has changed and it is pertinent to examine some aspects of the apartheid era and how it affected NGOs.

The National Party came to power in South Africa in 1948 and set about implementing the policy of apartheid, which institutionalized racial discrimination (Patel, 2005:70). The Population Registration Act of 1950 classified the population into four racial categories, which structured differential access to social welfare resources. Race became a primary factor in determining the provision of services and benefits. Africans, Coloureds and Indians were denied access to citizenship and welfare rights in a common society (Patel, 2005:70).

The apartheid state secured the continued support of the white population through both social investment programmes and large-scale employment in the civil service. Public education, public health care, subsidized housing, rent control, employment, social benefits and social welfare services, which included poor relief, community services such as clubs for the elderly,

residential care and rehabilitative social services were provided for those of the white minority who needed it. Public welfare for whites represented an important economic and political stabilizer in government to maintain white support (Patel, 2005:71).

Social welfare expenditure was extremely high, for the small white population, as compared to other races. However, since 1994, the percentage of government spending for social welfare for Africans doubled in a fourteen-year period, while spending on white social welfare decreased by 32.5%. This could be explained by the changed economic and political climate in the country, the changed social conditions of whites and the adoption of privatization as a principle of state welfare policy in the 1980s (Patel, 2005:71).

Industrial decentralization policies controlled African urbanization by providing housing employment close to the borders of the homelands in the rural areas, which, subsidized by the central government, increasingly took on a social welfare function. Social old age pensions, which were fully publicly funded, were also expanded for Africans in the homelands and provided an important safety net. Thus, there was some form of social provision for the African community, although it was not as high as the white community. However, the fact remained that these social benefits, up until 1994, were racially differentiated for each of the population groups (Patel, 2005:70).

The partnerships between the state and the community-sponsored welfare initiatives emerged prior to 1948 and became an important feature of welfare services under apartheid, and over the years, a substantial number of organizations were formed (Patel, 2005:72). The Department of National Health and Population Development (1990) estimated that 2, 400 organizations with welfare objectives were registered under the Fundraising Act No 107 of 1978 on 31 March 1990, while 1641 community welfare organizations were operating under the National Welfare Act No 100 of 1978 (Patel, 2005:72).

However, most of these welfare organizations were based on providing services for white people. These included organizations such as the Afrikaner Women's organizations (Patel, 2005:71). The majority of the community - sponsored social welfare organizations rendered essentially rehabilitative social work services, and some statutory services were delivered on behalf of the government. The voluntary community-based welfare organizations were largely

subsidized by government, and many organizations enjoyed a privileged relationship with it. Although the organizations were independent, their autonomy and integrity were compromised as they relied almost entirely on the government to finance their services (Patel, 2005:71).

However, the 1980s witnessed the onset of an international economic crisis. In response to this, the South African government adopted a privatization policy that aimed to help government cut back on welfare expenditure and to limit wage increases in the state sector (Patel, 2005:77). This limited state responsibility for social services. The apartheid government argued that South Africa was not a welfare state and that a partnership had always existed between the government, the private business sector, and voluntary religious and community initiatives to provide social welfare (Patel, 2005:77).

Hence, the government encouraged community and individual responsibility for meeting needs through market mechanisms, emphasizing volunteerism, mutual aid, and reciprocity between providers and consumers, fees for service and social work practice. At the same time, the government indicated that it could no longer afford to finance services on the scale previously provided (Department of Constitutional Development & Planning, 1985).

During the late 1970s and 1980s, protests against the apartheid regime escalated. The 1980s saw the rise of more grassroots formations, which organized around the day-to-day needs and concerns of the black people and articulated demands for social and economic rights. This protest gave rise to civic associations and student, youth and women's organizations. Mass based community organizations multiplied during this period (Patel, 2005: 81). The United Democratic Front organized and built a non-racial unity made up of 700 grassroots organizations. These organizations addressed social problems such as crime and social conflicts (Patel, 2005:82).

It was in this context that the social development initiatives of popular grassroots organizations began to emerge and take root (Patel, 2005:82). These organizations provided services in areas that were not provided by government. They were funded by sympathetic foreign donors and began addressing the needs of the underprivileged and those discriminated against (Patel, 2005:82).

Habib and Taylor (1999) characterized four types of NGOs that existed during apartheid. These were: (1) organizations servicing the anti-apartheid movement, (2) liberal NGOs advocating changes in apartheid policies, (3) NGOs that focused on service delivery and (4) welfare bodies that cooperated with the apartheid.

However, the shift from apartheid to democracy led to the emergence of new regulations and the growth of a civil society sector that is still thriving today. The next section will examine NGOs in the post 1994 democratic era.

2.5.2 Post-1994 Transition Process

The year 1994 saw the end of the apartheid era and this shifted the role of most NGOs. There was no longer a need to advocate for a democratic South Africa. The relationship between NGOs and the democratic South African government hence shifted. Heinrich (2001:2) acknowledged that in South Africa, NGOs were now fulfilling three roles as “(1) schools of democracy in (2) mitigating societal conflicts and (3) as effective channels of interest representation for the poor” (Heinrich, 2001: 2).

Habib and Taylor (1999:76) had stated a similar view that NGOs were “absorbed into the institutions of the state; important policy positions, key personnel” and “repositioned themselves as NGOs with a complementary role to the new state by undertaking partnerships with government departments, developing policies, or providing welfare and development services”. NGOs were now concerned with people-centred development and socioeconomic up-liftment. NGOs also focused on issues such as land reforms, health, education safety and security. They also stated that NGOs took up a “position as ‘watchdogs’ of the new state, advocating various policy positions and asserting their independence from the state with the intent of strengthening civil society” (Habib and Taylor, 1999: 76).

The new democratic government sought ways to engage with civil society to assist in rebuilding the country. The government showed its support for NGOs through the Reconstruction and Development Programme, which allowed NGOs to collaborate with government in delivering services that assisted those who were previously disadvantaged (NGO Handbook, 2007).

In addition, the National Coalition of services was formed to represent the NGO sector by assuming the role of advocacy, speaking on behalf of, and strengthening NGOs. It interacted with government on social delivery issues and represented the private and not-for-profit sector in the policy-making process. However, it was not successful in realizing its objectives, as the government support to the non- governmental sector diminished (Gray & Lombard, 2008:133).

In addition, the South African National Non- Governmental Organization's Coalition (hereafter referred to as SANGOCO) emerged in 1995 to unite and strengthen the NGO sector. Its mission is "to promote civil society by uniting and strengthening the NGO sector to enable it to influence development policy and advocate programs that meet the needs of the poor in the best possible way, at the least cost" (SANGOCO, 1995-1997). Many NGOs have joined this coalition but some civil society activists felt that it could overpower and curb the autonomy of smaller NGOs (Greenstein, 1998:42).

While the transition changed the role that NGOs played, it also led to NGOs closing down. Some NGOs lost their personnel to the newly- elected government as new objectives and goals to reconstruct South Africa were put in place. Nelson Mandela remarked in 1996 that "NGOs played an outstanding role during the dark days of apartheid. Today, many people who received their training within the NGO sector play important roles in government" (Habib & Taylor, 1999:76). Many NGOs therefore faced the challenge of a high staff turnover. According to a survey done by SANGOCO, the "sector as a whole lost more than 60% of its senior staff to government and the private sector since 1990" (Mail and Guardian, August 22-28, 1997). Some NGOs could not operate in the new South Africa because the environment had changed and there was no need for anti-apartheid NGOs. Others closed down as a result of a shift in funding.

However, the growing inequalities between the rich and poor also witnessed the growth of NGOs and civil society to address these issues (NGO Handbook, 2007). Economic policies such as GEAR, as mentioned before, benefitted the elite but failed to improve the living conditions of the poor. Correll (2008:459) argues that the neoliberal approach adopted by governments "accommodated social policy by grafting on minimalist targeted welfare". Habib and Taylor (1999: 78) also argued that "GEAR places emphasis on private sector investment to create jobs, thereby putting economic growth ahead of state-led distribution". This created a

dangerous shift of roles for NGOs. Marais (1998:213) states that “under the canopy of economic policies like GEAR, NGOs’ roles tended to harmonize with standard neo-liberal logic as they toiled in the wake of development and welfare responsibilities shirked by the state”. However, the focus on a neo-liberal ideology also witnessed a growth of NGOs whose focus was to promote social development.

The John Hopkins Institute for Policy Studies conducted a study in 2002, which revealed that in 1999, there were 98,920 non-profit organizations in South Africa (Swilling and Russel, 2002:20). Of these, 53% were voluntary based organizations were not formally structured but registered as non-profits. 11, 459 organizations were classified as Section 21 companies under the 1997 Nonprofit Organizations Act and the rest of the organizations were religious organizations, unions, burial societies, cooperatives, political parties or trusts (Swilling & Russel, 2002:20).

Although the government statistics agency, Statistics South Africa did not have a database for all non-profit organizations (NGO Handbook, 2007), the Department of Social Development, recorded 32,532 organizations that were registered under the NPO Act in March 2006. These NGOs worked in the areas of culture, and recreation, development, housing, education, environment, health, law, advocacy, politics, volunteerism, religion and social services. This figure included the 11,459 organizations and others that were included in the John Hopkins study.

The largest sector with which NGOs dealt was social services that included child, youth and family services (Swilling & Russell, 2002:22). The next largest sector was development/housing and culture/recreation, which deals mainly in economic, social and community development rather than housing itself (Swilling & Russell, 2002:31). This embraced Midgley’s (1995) approach to social development, which encourages institutions to mobilise resources such as social services to promote people’s well being.

Habib (1997: 682), however points out that the growth in the number of NGOs should not be celebrated but should be seen as “survivalist responses of poor and marginalized people who have had no alternative in the face of a retreating state that refuses to meet its socioeconomic obligations to its citizenry” (Habib, 1997: 682).

Tensions were also arising between NGOs and the government. Habib and Taylor (1999:78) point out that, since 1994, the government was slow to develop coherent thinking concerning NGOs. There was also a lack of consistent policy on NGOs. NGOs found it difficult to access support from government, obtain funding and set up partnerships (Community Agency For Social Enquiry, 1996). Hamber et al (1997) stated that “the biggest failure of the TRC (Truth and Reconciliation Committee) to date has been its inability to build a strong working relationship with civil society as a whole” (Hamber et al, 2007:5). NGOs also found that there were problems with corrupt government departments (Habib & Taylor, 1999:78).

Hölscher (2008: 121) argued that even when critical engagement was sought by civil society with government, government developed a reputation of reacting defensively. Roberts (2005:498) stated that “there has been a lack of public discussion and consultation on the appropriate policies” and that the government was consciously delaying consultation with civil society who claimed to represent the interests of the poor.

Hölscher (2008:121) offers a possible explanation for the reasons that government was not engaging with civil society. She says that “South Africa’s economic and political elites continue to benefit from an economic ideology that secures wealth in the face of extreme inequality and widespread poverty, and a welfare ideology that places the onus increasingly on the poor to uplift themselves by their boot straps” (Hölscher, 2008:121).

Furthermore, Habib and Taylor (1999:16) argue that a “situation that is characterized by a lack of trust due to past circumstance (e.g. apartheid, ongoing violence, etc.) is not conducive to the establishment of development coalitions and partnerships between essential development actors such as the South Africa NGO community”.

As NGOs sought to establish a balance between service delivery and collaboration with government, the sector faced a bigger challenge of obtaining funds. The next section discusses the funding environment in South Africa.

2.5.3 Funding

NGOs faced further challenges, as there was a lack of support from government in NGO funding (Greenstein et al., 1998). International donors shifted their focus from providing direct

funding to NGOs to providing funding to the newly elected democratic government (Gardiner & Macanda, 2003:4). In cases where funding was continued, the funding was more project specific, such as stipulated by the USAID and the Ford Foundation (Taylor & Habib:1999:79).

Hence, NGOs found it increasingly difficult to access funds and had to compete for the scarce resources that were not easily available to them. Tensions arose within NGOs especially in the homelands. Homelands were regions of South Africa that were allocated to different black ethnic groups. The idea was that “the homelands would be like countries where the Black people would live and vote for their own governments, led by chiefs controlled by the apartheid state” (South African History Online, 2010). Fundraising in these areas was a challenge due to competition over scarce resources (Gardiner & Macanda, 2003:4). This led to many NGOs closing down as they failed to develop capacity and sustainability in areas where they were most needed (Gardiner & Macanda, 2003:4).

As NGOs were re-identifying their roles in society, an increase in applications for funding to external donors increased. A survey conducted by SANGOCO, showed that NGOs depended on more than one source of funding. Whilst 36% of funding was from foreign sources, the other sources of funding came from membership fees, South African corporate donors, fundraising activities and government funding (Heinrich, 2001:8). Foreign donors were also encouraging NGOs to form partnerships with government in order to obtain funding for their projects.

However, by the end of the 1990s, foreign aid to NGOs decreased and NGOs have had to work harder at obtaining funds. NGOs had to spend more time on raising funds through writing proposals, financial reports and monitoring and evaluation (Heinrich, 2001:9) as donors had shifted from pro-active funding to application-led grant processes (Tjonneland, 2004).

Other NGOs expanded their operations by co-ordinating partnerships with international funders and entering into new sectoral and geographical areas. Hulme and Edwards (2000) argue that an increase in the support for NGOs amongst donors has indeed led to organizational expansion, but these incentives have to be treated with caution. Decisions made to expand finances might have negative consequences, such as closing off potential courses of action, NGOs feeling more accountable to their donors rather than to their intended beneficiaries,

and their supporting policies that brought in more funds. By 2002, NGOs were relying more on fees for service provision from government, private companies or other NGOs (Camay & Gordon, 2001) as donor support decreased.

Thus, the very legitimacy of NGOs came into question. NGOs began to rely on the agendas of the elite sectors of community such as business, donors and government. Habib and Taylor (1999:79) question the accountability of NGOs in such cases as they “become commercially oriented and dependent on the resources of overseas donors and the government” and therefore do not represent the voice of the poor, but of their funders.

The then state president, Thabo Mbeki, criticized the NGO sector by questioning NGOs’ abilities to represent their constituencies and their integrity, and suggesting that they front the interests of international donors (NGO Handbook, 2002). NGOs argued that “in our political context of one-party dominance and a largely ineffective parliamentary opposition, it should be acknowledged that political pluralism rests heavily within the voices from below expressed through a diverse range of NGOs and other civil society organizations” (Smith, David & Hollands, 2005:25). NGOs have therefore been characterized as being caught in a difficult situation; between governments that feel threatened by NGO activities, and development donors with changing priorities and unrealistic expectations of NGOs (Ignore & Kelsall, 2005).

Indeed, there have been tensions between government, donors and the NGO sector but the South African government has recognized the role that NGOs could play. The South African government has put in place a regulatory framework for the NGO sector.

This will be discussed in the following section.

2.5.4 Regulatory Frameworks

The government strived to create an enabling environment for NGOs by facilitating policy formulation processes and introducing legislation that included NGO registration and tax benefits (Habib & Taylor, 1999). In order to facilitate NGO and government relations, the new South African government established a legal environment for NGOs.

The government released two versions of a Draft Non-Profit Bill in 1995, which was intended to co-ordinate, and manage relations between the government and NGOs. However, NGOs activists protested against the two Bills as they provided government with authority to intervene in the management of NGOs as well as subpoena employees where there was evidence of misconduct (Habib & Taylor, 1999). The Bill was revised and the new Act, the Non-Profit Organizations Act was promulgated in 1997. The following section will look at some of the present legislation in South Africa, such as the NPO Act 71 of 1997, the National Development Agency Act 108 of 1998 and the Taxation Laws Act of 2000.

2.5.4.1 Non-Profit Organizations Act. 71 of 1997

The Non-Profit Organizations Act (NPO) was established in 1997 and was officially approved in 1998 after negotiations between civil society and government. It aimed to create an enabling environment for NGOs to operate in and it also allowed and still does for accountability and transparency by creating a voluntary registration facility for NPOs, which are defined as “a trust, a company or other association of persons” (NPO Act 71 of 1997).

The Act provides registration facilities for Section 21 Companies, Trusts and Voluntary and other non-profit associations as long as they meet minimum establishment and annual reporting requirements (NPO Act 71 of 1997).

All entities are required to register with the Commissioner for Inland Revenue for tax purposes and this department administers applications for tax exemption. Refusal to register an entity may be exercised only on the grounds of non-compliance with the requirements of the relevant statutes (NPO ACT No.71 of 1997).

Although registering as an NPO is free of charge (Department of Social Development, 2005), the fees payable to the Registrar of Companies and Master’s Office amount to between R100 and R350. However, the professional fees required to prepare the documents may cost between R2000 and R3000 (de Villiers & Stuurman, 1997:104). Thus, the actual registering of NPOs can be a costly exercise.

As registered NPOs, NPOs are required to meet the reporting requirements as stipulated in Section 17 of the NPO Act (Act No.71 of 1997). However, critics argue that there is a stronger

emphasis on financial reporting rather than the actual qualitative work that the NPOs do (Gardiner & Macanda, 2003:14).

By registering themselves as NPOs, NGOs qualify to access funds in terms of the Lotteries Act of 1997, the NDA Act 108 of 1998 and the Taxation Laws Amendment Act of 2000 (Greenstein, 2003).

Although the NPO Act stipulates that the Minister may provide benefits and allowances only to registered NGOs, the registration at this stage is still voluntary. Hence the implementation and impact of the Act is ambiguous (Gardiner and Macanda, 2003: 104).

The South African government also put in place the National Development Agency to assist in alleviating poverty by granting funds to NGOs and to play a regulatory role for NGOs. The following section looks at the National Development Agency.

2.5.4.2 National Development Agency Act 108 of 1998

The South African government sought to find ways of making the funding environment for NGOs much easier. The National Development Agency (hereafter known as the NDA) and its Act 108 was established in 1998 to empower many NGOs who felt disempowered in the funding environment (Fakir, 2002:2). The establishment of the NDA is linked to the role of NGOs pre and post apartheid (Gardiner & Macanda, 2003: 4). NGOs played a huge role in providing services for those who were denied access to them during the apartheid years in South Africa. Many of these NGOs were able to receive funds from international donors for development projects (Gardiner & Macanda, 2003:4).

The Reconstruction and Development Programme which was established in 1994 identified the need for a framework to guide relationships between the government and NGOs in order to involve NGOs in development initiatives (Gardiner & Macanda, 2003:5). It identified two tasks that consisted of “establishing an agency to respond to the immediate needs of NGOs involved in development and setting up a longer-term institution to co-ordinate the funding of CSOs” and “promoting a sustainable partnership between government and these organizations” (Gardiner & Macanda, 2003:5).

This led to the establishment of the Transitional National Development Trust (hereafter referred to as the TNDT) which was set up to alleviate the financial crisis facing NGOs and to support organizations whose activities were in line with the objectives of the RDP policy (Gardiner & Macanda, 2003:5). The TNDT was soon replaced by the National Development Agency in 1998. The broad objectives of the NDA were to contribute to the eradication of poverty and its causes by granting funds (Gardiner & Macanda, 2003:7). Section 3 of the NDA Act stipulates that these grants were for the purposes of “carrying out projects or programmes aimed at meeting the needs of poor communities and strengthening the institutional capacity of other CSOs involved in direct service provision to poor communities” (Section 3 of the NDA Act of 1998).

However, the NDA faced many problems. According to the Mail and Guardian (01/02/2002), an accounting firm, Ngubani & Co had identified nine areas of chronic mismanagement. Some of the findings indicated that some of the contracts between the NDA and the organizations that it was funding were unsigned or had gone missing. Disbursement records were not up to date and the NDA was pouring money into projects that did not meet its own funding criteria (Gardiner & Macanda, 2003:11). NGOs had also experienced short comings with regard to the National Development Agency. This was due to the slowness of the distribution of funds to NGOs which led to the closure of some NGOs (Fakir, 2002:2).

According to the report of the Auditor General, the NDA received funds amounting to R238 328 570 from the European Union (hereafter referred to as the EU) and government (NDA Annual Report 2000/2001). Of the R190 million received from government, 67% was allocated to various projects. However, funding that was received from the EU was not disbursed (NDA Annual Report 2000/2001).

Furthermore, funds that were allocated to the various projects showed a discrepancy in the rate at which funds flowed through. Limpopo was promised R36 085 242 and yet only received R7 187 287 (Gardiner & Macanda, 2003:18). There was disproportionate distribution of funds amongst the provinces as well. The Western Cape and Gauteng have the lowest rates of poverty whilst Mpumalanga, the Eastern Cape and Limpopo have the highest rates. However, the amount that was located to Mpumalanga was far less than the amounts located to the Western Cape and Gauteng (Gardiner & Macanda, 2003:18).

According to the Mail and Guardian (01/02/2002), this could have been due to the NDA's systems and procedures in processing fund applications. Large numbers of NGOs that desperately needed funding were waiting for the NDA to process their fund applications and some even to have their calls returned. One NGO waited nine months to get its reference number from the NDA (Mail & Guardian 01/02/2002). The NDA was stuck and was not able to process 6000 applicants for funding after its call for funding applications between 2 January and 28 February 2002 (Gardiner & Macanda, 2003:18).

On the other hand, Khan (2002) argues that it is a mistake to view the relationship of the NDA and the non-profit sector as if the NDA was the exclusive source of money and expertise and the NGOs mere recipients (Gardiner & Macanda, 2003:18). The NDA should support both NGOs that play an advocacy and policy determining role, as well as NGOs that are struggling to survive (Gardiner & Macanda, 2003:19).

Pieterse (1997) points out that for sound relations to exist between the NDA and civil society, civil society needs to understand clearly, what the NDA is. He also points out that the problem lies with civil society organizations such as the South African Non Governmental Organizations Coalition (SANGOCO), which do not have a clear understanding of the role of the NDA (Gardiner & Macanda, 2003:20). Thus, the role and functions of the NDA as well as its capacity to administer funds and distribute effectively would have to be considered.

The following section discusses how the fiscal environment of NGOs was improved through legislation.

2.5.4.3 Taxation Laws Act of 2000

In addition to the NPO Act of 1997, the Commission of Inquiry in Aspects to the Tax Structure of South Africa released a report in 1999 focusing on the taxation of NGOs in South Africa. The report made suggestions to improve the fiscal environment for NGOs. This resulted in the promulgation of the Taxation Laws Act in 2000 which introduced the new term Public Benefit Organization (hereafter referred to as PBO).

In order to register within the terms of the Act, the organization must have activities that benefit or are accessible to, the public at large, "including any sector thereof (other than small

and exclusive groups)”; the organization’s activities must benefit, or be easily accessible to, the poor and disadvantaged; the organization must receive at least 85 percent of its funding from donations, grants from state bodies, or foreign grants (Income Tax Act 30, 1).

These NGOs that fell within the categories mentioned above were entitled to tax benefits such as income tax exemption, donation tax exemption for donors, estate duty, transfer duty, stamp duty, skills development levy and capital gains tax (NGO Handbook:2007). The Taxation Laws Act is still undergoing amendments, which will benefit more NGOs in the future.

2.6 Conclusion

This chapter presented a discussion on development and social development and the policy framework in South Africa. It examined NGOs with regard to a global overview, the nature and impact of services as well as NGOs role in networking and advocacy. It then presented an overview on South African NGO; the history and the transition process. It also examined regulatory frameworks and the funding environment. Through the discussion of these various topics, challenges that NGOs face were highlighted.

The following chapter will look at the research design and methodology.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This section will present the research design, methodology and the limitations to the research.

3.2 Research Design

Babbie and Mouton (2006) describe the research design as the plan that demonstrates how the researcher is going to address the research problem. The following sections present aspects of the general design. More specifically, the actual research design in relation to a specific paradigm will be discussed in the next section.

3.2.1 Specific Research Design

The study conducted was qualitative in nature. According to De Vos (2005), a qualitative study allows the researcher to derive meaning from the participants' perspective. This was important as the researcher sought to understand challenges that NGOs were facing and that was done by deriving meaning from the perspectives of participants that took part in the research.

This study is also exploratory in nature. An exploratory study allows for the gaining of insight into a situation, phenomenon, community or individual (Bless and Higson-Smith, 1995). Neuman (2000:510) also states that "exploratory research is research into an area that has not been studied and in which the researcher wants to develop initial ideas and a more focused research question". Although research has been done on NGOs in South Africa, the challenges that they face is still an area that needs to be explored. The information gathered in this study will therefore inform further research. However, Babbie and Mouton (2006) mention that exploratory research can be biased, as it is often subjective. The researcher however chose an exploratory type of research as it provided in-depth insight and captured at first hand the perceptions of the participants.

Furthermore, this research has elements of a case study approach. South Africa has a large number of NGOs and the case study allowed the researcher to focus specifically on the experiences of six NGOs with a development focus. Even though six NGOs took part in the study, the findings together with the combination of secondary data could be used as a pilot representation of NGOs with a development focus in the Western Cape. The secondary data included Annual General Reports and other documents obtained from the NGOs. Mark (1996) points out that case studies can be used as either unique examples or as representatives of other organizations in a geographical region.

3.3 Methodology

The following section presents the pre-sampling process, sampling, data collection, data analysis and limitations to the study.

3.3.1 Pre-Sampling Process

The researcher engaged in a process of finding a sample of NGOs with a development focus that would take part in the study. A resource list of all NGOs in the Western Cape was compiled using an online NGO database, Prodder (2008), and the Western Cape Directory of NGOs (2008) as reference. The NGOs were purposively selected (judgmental sample/purposive sample) from the resource list based on the following four criteria (as mentioned in Chapter One) that all NGOs should:

- be located in the Western Cape
- have registered itself as an Non-Profit Organization under the Non-Profit Organizations Act No. 71 of 1997
- have existed for a minimum of five years
- have development programmes as part of their services

3.3.2 Sampling

The sample was a purposive sample according to the aforementioned criteria. Purposive sampling is a type of non-probability sampling that is “based entirely on the judgment of the researcher, in that the sample is composed of the elements which contain the most characteristic, representative or typical attributes of the population” (De Vos, 2001:198). The researcher found six NGOs that met the initial criteria for selection by consulting the Western

Cape Directory of NGOs (2008) and Prodler (2008). The researcher used the NGOs' websites to gain background information of the NGOs. Contact was made through email and the telephone.

The selected sample of six NGOs was limited to the Western Cape. This was due to the fact that the researcher was not able to expand the geographical area because of time and financial constraints. Being an African foreign national student also limited the researcher in somewhat gaining access to a larger geographical area.

3.3.2.1 Sample of NGOs

Six NGOs with a development focus located in the Western Cape were chosen. The selection of NGOs could be considered as an atypical selection since those chosen have a diverse range of objectives and programs. The researcher wanted to target NGOs that had a range of services, but claimed a development focus. These NGOs have programs that focus on community empowerment, environmental sustainability, policy and advocacy.

3.3.2.2 Sample of people to be interviewed

Within the sample of the six NGOs, the following persons in each organization were interviewed:

- One director
- One programme manager who was directly involved in service delivery

Therefore, six directors and six programme managers constituted the actual sample of participants that were interviewed. Thus, twelve persons were interviewed.

3.3.3 Data Collection

- **Data Collection Approach**

Bearing in mind the qualitative nature of the research, individual face to face in depth interviews were conducted. Face-to-face interviewing helped the researcher understand the "closed world of organizations" through the perspectives of the directors and practitioners (De Vos, 2002:298). Interviews were conducted individually so as to harness the perceptions of each participant in an organization without any

“contamination” from the other participants. The director and the programme practitioner would have had different perspectives.

- **Data Collection Instrument**

A semi-structured interview schedule (Appendix B: 103) was used to collect data. It was used as a guide and not rigidly adhered to. The semi-structured interview schedule was constructed keeping the objectives in mind.

One interview schedule was used for all twelve participants in the study and the researcher asked questions according to the flow of the interview. The guideline provided flexibility and allowed the researcher to probe deeper when needed.

The researcher carried out a pilot interview with a director of an NGO that offered services to street children. The pilot was used by the researcher to “test” the interview schedule. This proved useful as a few changes were made based on the interview. The pilot also allowed the researcher to be more comfortable with the interview process, as the researcher lacks experience in interviewing participants.

- **Data Collection Apparatus**

A digital recorder was used to capture verbal data. This allowed the researcher to concentrate on non-verbal cues while recording the verbatim responses via the recorder.

- **Secondary Data**

Secondary data was collected from reading the material that was provided by the NGOs and these included annual reports, publications and material on their websites.

The following section presents the approach to data analysis.

3.4 Data Analysis

An adaptation of Tesch’s (1990) approach to analysis in De Vos et al (1998) was used. This approach was as follows:

- The interviews were transcribed from the digital recorder
- The transcripts were carefully read through
- The process began with the reading through of one transcription and trying to understand the “meanings” given by the participant
- These “meanings” were labelled alongside the margins
- These labels were then clustered into categories and the categories were subsumed into themes
- This process was repeated for all transcriptions
- Further refining of categories and themes was done
- A tentative framework was constructed with major themes and categories
- This framework was further refined so that the main themes mirrored the research objectives and so that main categories were listed without too many minor categories (sub categories)
- Once the data was organized into a framework, the actual discussion and further analysis of data could take place
- Quotes were used to illustrate various themes and categories and linkages were made to other authors referred to in the literature review.

Every research has its limitations and the next section will look at the limitations inherent in this research.

3.5 Limitations of the research

The following section presents the limitations with regard to, research design, sampling, data collection, the data collection apparatus, and the data analysis and self.

3.5.2 Research Design

Qualitative research relies on subjective meanings and this involves bias. However, this research aimed to derive meaning from the participants’ perspective and thus a qualitative approach was an appropriate choice (De Vos, 2002: 242-243). The nature of the research being exploratory was dependent on the perceptions and the feelings of the participant.

3.5.3 Sampling

The non-probability sampling approach has its definite limitations in that one cannot generalize from such a sample. This purposive sample based on criteria which the researcher set, is not a representative sample but could be seen as a diagnostic one. Despite this, some assumptions could be made based on the in depth study of twelve participants from the six NGOs with a development focus. Since this is a minor dissertation and the study is mainly exploratory, these six NGOs could constitute a pilot study, a precursor to a larger sampling for another study.

3.5.4 Data Collection Approach

Although in-depth interviews allowed the researcher to gain insight and collect valuable data, they were time consuming. Also, face-to -face interviewing demands good interviewing skills including probing and clarifying. Being a novice researcher with limited interviewing skills, the data gathered could have been compromised.

3.6.5 Data Collection Apparatus

The digital recorder may have intimidated participants. Using the digital recorder however freed the researcher to concentrate on the non-verbal cues. Once the interviewing got under way, the participants soon forgot the presence of the digital recorder.

3.5.6 Data Analysis

Data was analyzed by the researcher and was therefore open to subjectivity as the analysis was based on the researcher's interpretation of the data collected. Qualitative research takes into account multiple realities and the researcher had his/her own interpretations (Creswell, 1994). Careful supervision helped the researcher to be more critical and careful in her choice of words.

3.5.1 Self

The researcher has neither a social work background and nor professional interviewing skills. This could have been a limitation, as the lack of interview skills could impact on the quality of data collected. However, the pilot interview did assist the researcher somewhat in sharpening her interview skills. The data analysis also demanded critical skills, and the researcher acknowledges that she is a novice researcher.

3.7 Conclusion

The research design and methodology were presented in this chapter. An exploratory and case study approach to the research was adopted. A purposive sample of six NGOs was selected and from each of these six NGOs, one director and one programme manager were interviewed. The data collection and data analysis methods were also presented. The chapter concludes by presenting the limitations of the research. The next chapter presents the findings of the study.

University of Cape Town

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.1 Introduction

This chapter will present the findings of the research. It presents the profile of the participants and a profile of the organizations. A framework for analysis will be constructed based on the main objectives of the study. The analysis of findings will be discussed according to the structure of this framework. The findings will be compared and contrasted with the views of various authors (Chapter Two: Literature Review). The researcher will also present the critical assessment of the findings.

4.2 Profile of the Participants and NGOs

Six NGOs with a development focus in the Western Cape were selected according to certain criteria (Chapter Three). Information was obtained by interviewing two participants at each NGO. Although the participants did not have a problem with disclosing their identities, the researcher decided not to disclose names for purposes of confidentiality. The NGOs have been assigned alphabetical letters and the participants have been given numbers for purposes of anonymity.

4.2.1 Profile of Participants

Table 1 presents a profile of the participants that were interviewed. Six directors, as well as six program managers, constituted the sample of participants. The twelve participants have worked in the organizations for at least a year and at most, 15 years. The sample consists of five male and seven female practitioners, thus addressing the gender issue.

Table 1: Participants' Profile

Participant	Organization	Gender	Position Held	Duration worked
1	A	Male	Director	15 Years
2	A	Male	Program Manager	4 Years
3	B	Female	Director	7 Years
4	B	Female	Program Director	4 Years
5	C	Female	Director	9 Years
6	C	Male	Program Manager	5 Years
7	D	Female	Director	5 Years
8	D	Male	Program Manager	5 Years
9	E	Female	Director	4 Years
10	E	Male	Program Manager	9 Years
11	F	Female	Director	13 Years
12	F	Female	Program Manager	1 Year

4.2.2 Profile of NGOs

The profile of the NGOs was gathered through annual reports, publications, and websites. The profile of the NGOs provides an outline of the mission, objectives and the main programmes of the NGOs. It also provides information on the year the organization was started and the number of staff. It is clear that all these NGOs are dedicated to addressing crucial needs in relation to rural poverty, agrarian transformation, sustainable environment resources and energy. The focus appears to be on empowerment, self-reliance and awakening the potential in people. The main programmes of these NGOs focuses on agrarian reform, capacity building, food security, advocacy and sustainable farming. All of these NGOs are located in the Western Cape area and have been in existence for at least 19 years and all are registered under the NPO Act 71 of 1997.

Table 2: NGO Profile (Adopted from the organizations' websites)

Organization	Year	No. of Staff	Mission of Organization	Objectives of Organization	Main Programs	Location
A	1991	11	'To awaken the potential in ourselves and others to engage powerfully, mindfully and creatively in our relationship with the natural environment and the resources that sustain life'	'To provide the public domain with good quality research, information and analysis on a range of topical environmental issues. To bring together interest groups to share and strategies around the specific policy or environmental justices issues to build close partnerships with other organizations, NGOs and community-based organizations'	-Rain water harvesting -Land and soil conservation -Sustainable management of wild rooibos -Water and climate change	Observatory
B	1992	10	'Recognising the high levels of rural poverty, we supports rural CBOs and development initiatives to bring about positive change in their communities'	'We create environments in which rural leadership thrives, vibrant infrastructures grow and people discover creative, viable development models that effectively meet their needs'	-Rural support program -Open learning program -Small business unit -Discovery Exchange & Exposure Programme	Cape Town
C	1994	18	'We facilitate pro-poor agrarian transformation and food sovereignty We support and promote the implementation of agro-ecological practices as alternative to the dominant forms of production'	'Seeks a better life for all people without exploiting other people or degrading their environment. To encourage and support individuals, businesses and industries to reduce pollution, minimize waste and protect our natural resources'.	-Agrarian reform -Agri-ecological farming -Advocacy and lobbying -Research and information	Observatory
D	1995	13	'Promotes sustainable energy approaches and practices in the development of South Africa and Africa. We do this through research, capacity building, information dissemination, project implementation, lobbying and networking.'	'To lead a strategic approach to sustainable development through integrated energy planning. To promote energy as the driver of sustainable development in cities particularly addressing poverty and climate change. To be an innovator and a catalyst of fundamental change'.	-Capacity building -Policy and planning -Renewable energy -Cleaner production	Tokai
E	1997	7	'We aspire to an environment where people control their food supply systems, where the benefits from commercial use of biological resources are fairly shared and where ordinary citizens are encouraged to help make policy choices about technologies'	'To publicize, monitor and research issues of genetic modification and promote biological diversity and sustainable livelihoods'	-Non GMO agriculture training -Training with small scale farmers -Seed banking -Advocacy	Observatory
F	1994	6	'Our values and practice are guided by the spiritual principle of community serving humanity. We work with rural organizations towards building self-reliance and empowerment in a developmental way'	'To promote comprehensive, integrated, sequential, and sustained approaches that will improve systems in which civil society can grow and develop'	--Food security -HIV and Home based care Program -Life Learning Program-	Mowbray

4.3 Framework for analysis

The following table reflects the framework for analysis, and lists the themes and categories that were drawn from the findings based on the objectives.

Table 3: Framework for Analysis

Themes	Categories
Regulatory Frameworks	<ul style="list-style-type: none">• NPO Act 71 of 1997• National Development Act 108 of 1998• Tax Amendment Act Number 39 of 2000
Nature and impact of services provided	<ul style="list-style-type: none">• Nature of services• Impact and monitoring of services
Nature of the funding environment	<ul style="list-style-type: none">• Pre- 1994 Funding environment• Post-1994 Funding environment• Challenges faced with regards to funding
Networking into coalition and advocacy	<ul style="list-style-type: none">• Relationship between government and NGO• Advocacy• Networking
Challenges the NGOs identify as crucial to their present status	<ul style="list-style-type: none">• Lack of resources

The main themes mirror the key objectives of the study. The categories emerged after examining the responses from the participants.

4.4 Regulatory Frameworks

The discussion of this theme is linked to the first objective, which is to “examine how NGOs are affected by present day regulatory frameworks: the Non-Profit Organizations Act (71 of 1997); the National Development Agency Act (108 of 1998); and the Taxation Laws Amendment Act (30 Of 2000)”.

4.4.1 The Non-Profit Organizations Act 71 of 1997

4.4.1.1 Knowledge of the NPO Act 71 of 1997

It was important to ascertain whether participants were aware of the NPO Act 71 of 1997 in order to fully understand the impact it had as a regulatory framework for NGOs. When asked about the awareness of the NPO Act 71 of 1997, all of the participants (twelve) indicated that they were aware of the Act.

“I know that we are an NGO and we are registered under the NPO Act.”
(Participant 7, Organization D)

“Yes I am aware of the NPO Act. Our NGO registered under it some years back.”
(Participant 3, Organization B)

“Yes I am aware of the NPO Act”
(Participant 11, Organization F)

“Yes, I am aware of the NPO Act as our organization is registered under it”
(Organization c, Participant 5).

“We are registered under the NPO Act”
(Participant 6, Organization C)

However, when probed further, it was clear that some (five) did not know the debate around the NPO Act 71 of 1997.

“I am aware of it. I don’t know about it in detail but I know it exists.”
(Organization F, participant 2)

“Not that much, I know only a little about it.”
(Participant 2, Organization A)

It is of concern that senior personnel in these NGOs are unfamiliar with the details of the NPO Act 71 of 1997. Information sharing and education about this Act may be needed.

4.4.1.2 Knowledge of the registration process

Even though five of the participants were not aware of the details of the NPO Act 71 of 1997, seven of the participants knew about the registration process.

“You have to submit the constitution, and once the constitution has been submitted, it’s up to the organization to take it to the legal advisor just to look at it before you send it to Pretoria, and Pretoria looks at it for about two or three months and they give you if the constitution is up to date. It has to be a requirement of the NPO Act then you get a registration number from Pretoria and you get tax clearance from SARS. Then that is a process and then you are registered. They give you a certification of registration with a registration number that you can use when you are doing fund raising or when it is required.”
(Participant 2, Organization A).

“I know the registration process as we have had to help other CBOs register as well. However, the registration process can be time consuming as an NGO has to first of all submit its constitution and some NGOs and CBOs have to tweak their constitution in order to meet the requirements.”
(Participant 3, Organization B)

This correlates with what the NPO Act states about the registration process. The NPO Act 71 of 1991 stipulates that once an NGO has handed in two copies of its constitution and other relevant documents, the directorate must “(a) issue a certificate of registration in the applicant’s name on the prescribed form which must include a registration number, (b) send the certificate and a certified copy of the registered constitution to the applicant; and(c) advise the applicant of the date on which its name was entered in the register”.

For Participant 8, the NGO used external help with the registration process.

“The actual work we had to do to become an NPO was straightforward. It was just following up with the appropriate government department to see at what stage our application was just to make sure it did not come to a halt. And we used services of someone in Pretoria to help us push the application through, otherwise we’d have flown over just to see how things were and how we were getting on. Otherwise, the assistance from the Pretoria group helped us through. We did not get any hard difficult question like that, we were able to find the section of the Act that we felt we fell under and that was because they had recently expanded the areas where you can be an NPO.”
(Participant 8, Organization D).

It was therefore evident that most participants understood the process of registration.

4.4.1.3 Advantages of the NPO Act 71 of 1997

The NPO Act 71 of 1997 allowed NGOs easier access to funding and tax exemption. This was evident when two participants stated that:

“I think an advantage we have is that the funds that we receive are not taxed because these are for non-profit purposes.”
(Participant 2, Organization A)

“We were advised to become an NPO so we could gain tax benefits.”
(Participant 8, Organization D)

This ties in with what Greenstein points out: that by registering themselves as NPOs, NGOs qualify to access untaxed funds in the terms of the Lotteries Act of 1997, the NDA Act 108 of 1998 and the Taxation Laws Amendment Act of 2000 (Greenstein, 2003).

Three participants mentioned that being registered allowed for easier access to funds from government and donor agencies.

“...and also you can claim, when you are registered, for skills development levy fund from government to assist with skills development within the organization.”

(Participant 2, Organization A).

“When you come with a legitimate NGO and you try to raise funds, it is easier for donors to say yes.”

(Participant 12, Organization F).

“It could bring you interest in fund raising. Donors want to know; are you a legal entity, are you a registered NGO, requirements, constitution and all that information.”

(Participant 9, Organization E).

Registering as legal entities therefore makes NGOs legitimate in the international environment. This is important as it allows NGOs to network with global organizations and to be taken seriously. However, participants identified challenges they faced when registering as an NPO under the NPO Act 71 of 1997.

4.4.1.4 Disadvantages of the NPO Act 71 of 1997

When asked about the challenges of registering as an NGO under the NPO Act of 71 of 1997, six participants saw the registration process as not being an entirely smooth process.

“I know that it is a challenge. Previously there used to use a template that you can just fill and send it through with all the necessary information. They would use that as a basis for registration but now they require a constitution. You should have a proper constitution and your constitution must be in line with the NPO Act. And so many the CBOs in particular are not familiar with this struggle to get registration because sometimes they use the template without really putting in the constitution.”

(Participant 2, Organization A)

“It was easier for us to register under the NPO Act because we had the resources to do so. However, it is a struggle for CBOs and other NGOs that do not have firstly the understanding of the requirements due to language barriers. The other thing is that developing a constitution can be very hard and for small organizations, this takes time.”

(Participant 3, Organization B)

This highlights that the requirements to register are more complicated than before and NGOs without resources might struggle to register themselves. As Participant 8 noted, they used external help with the registration process. However, other NGOs might not be able to afford to do so. De Villiers and Stuurman (1997: 104) point out that the professional fees required to prepare the documents may cost between R2000 and R3000 (de Villiers & Stuurman, 1997:104). Thus registering can be a costly exercise.

Another participant indicated that registering, as a non-profit, is a challenge due to the backlog that government has.

“The staff in Pretoria, they were on strike sometime last year. The public service strike took three to four months and there was a huge backlog and there were a few of them dealing with applications and they were not doing justice with the applications that they were returning”

(Participant 2, Organization A)

One participant mentioned that submitting the reporting requirements could be a challenge as government has direct access to their financial records.

‘Um, yes in a way, because they can shut you down, they can control who you receive funds from because you have to open your books...’

(Participant 3, Organization B).

This is supported by arguments that indicate that there is a stronger emphasis on financial reporting rather than the actual qualitative work that the NGOs do (Gardiner & Macanda, 2003:14).

However, Organization D stated that the registration went smoothly as they used outside assistance.

“The actual work we had to do to become an NPO was pretty straight forward...we used services of someone in Pretoria to help us push the application through”

(Participant 8, Organization D)

In conclusion, although all participants knew of the NPO Act of 71 of 1997, it was evident that only some were aware of the details of the Act and the registration process. Participants noted that there were benefits to registering as an NPO, namely, easier access to tax exemption; legitimacy when applying for funds; and becoming a legal entity. They also identified challenges to the registration process that included lack of access to resources, bureaucratic delays at government offices and the tedious reporting requirements. The next section will present findings with regard to the National Development Agency Act of 108.

4.4.2 The National Development Agency Act 108 of 1998

4.4.2.1 Knowledge of the National Development Agency Act of 108

When asked if they are aware of the National Development Agency and its Act 108 of 1998, all the participants mentioned that they knew of the National Development Agency but not of its Act (108 of 1998).

“Yes, I have heard about the NDA through other NGOs but I am not too familiar with the act.”

(Participant 2, Organization A)

“Oh yes I have heard about the NDA. We have even sent applications to them for funding.”

(Participant 3, Organization B)

“I know that it was formed originally in 1998 and what they do but I am not so familiar with the Act”

(Participant 9, Organization E)

“Yes, I have heard of it and the work that they do and a bit about the Act”

(Participant 5, Organization C)

It was evident that all NGOs were broadly aware of the National Development Agency. However, the lack of knowledge of its Act shows that the public need to be made aware of information in this regard.

4.4.2.2 Role of the NDA

However, when asked what the role of the NDA is, only three participants knew what functions it performs.

“Yes, first to support the development and growth NGOs and CBOs and to counter poverty and ensure how effective they are.”

(Participant 11, Organization F)

“It is there to assist NGOs and CBOs with development through grants and various projects.”

(Participant 3, Organization B)

“I know that they receive money from the government, they also receive money from donors and they are supposed to enter into partnership with communities, government departments and other private institutions who are interested in development in general”

(Participant 2, Organization A)

“I think the NDA can leverage, they have a lot of resources, and they work a lot closer with the local society. It can be a parental organization to make things happen because they have that kind of local resources”

(Participant 5, Organization C)

This ties in with the NDA Act 108 of 1998 that stipulates that one of the purposes of the NDA is “carrying out projects or programmes aimed at meeting the needs of poor communities” (Section 3 of the NDA Act of 1998).

However, the lack of knowledge of what the NDA does among other participants limits the relationship between the NDA and NGOs. Pieterse (1997) points out that for sound relations to

exist between the NDA and civil society, civil society needs to understand what the NDA is. Gardiner and Macanda (2003:20) concur by stating that the problem lies with South African NGOs who do not have a clear understanding of the role of the NDA.

4.4.2.3 Access to funds

Gardiner and Macanda (2003:7) state that the purpose of the NDA is to contribute to the eradication of poverty and its causes by granting funds. When asked if they applied for funding, only two organizations out of twelve applied for funding. Of these two, only one received funding.

"I know that you seldom get money from them but we got money from them. It was not a huge amount, it was very difficult. For example, on one occasion without warning, three auditors came to audit our funding...and they stayed a couple of days and went through our books."

(Participant 11, Organization F)

Even though funding was received, the process was difficult. The organization that did not receive funding stated that:

"We applied to them once in about 2003, and it was turned down because I think they didn't see us as a legitimate organization in the Cape. They kept on saying we didn't do this, we didn't do that."

(Participant 11, Organization F)

Another participant highlighted the application process as difficult:

"Receiving funding from the NDA is the longest process ever. It takes a long time and getting the documentation in is very tedious and you wait for months on end without hearing anything from them. We tried to apply for funding from them but it was extremely difficult."

(Participant 3, Organization B)

One of the reasons Participant 11 stated for the rejection of funds was:

"I think we in the NGO sector understand there was politics and there was corruption as well."

(Participant 11, Organization F)

According to the Mail and Guardian (19/04/2002), an accounting firm, Ngubani & Co, had identified nine areas of chronic mismanagement in the NDA. It indicated that some of the contracts between the NDA and the organizations it was funding had gone missing and disbursement records were not up to date (Mail and Guardian, 2002). There was also a slowness of distribution to funds to NGOs (Fakir, 2002:2). This is highlighted when one participant states:

"You know there is a lot of political influence from many ministers and so you know the conceptual team get benefits and are prioritized. You cannot say anything but that's the reality of it."

(Participant 5, Organization C)

It is evident therefore that there is some corruption in the NDA and the NGO sector is aware of it. Another issue might be that the implementation of the NDA's objectives is problematic. One participant stated that:

"I think the gap in the NDA is that they conceptualize things in the office and not the other way round. It's all about the image and how much you can show on paper what they could get done."

(Participant 5, Organization C)

There is therefore a gap between strategy and the implementation of the strategy and this could contribute to why funds are not allocated accordingly. However, Gardiner and Macanda (2003:18) argue that it is a mistake to view the relationship of the NDA and the non-profit sector as if the NDA is the exclusive source of money and the NGOs as mere recipients. The NDA must also support NGOs and have an advocacy and policy-determining role.

It is however evident that the NDA does not play a huge role in the regulation of NGOs as its role is largely not known and only grants funding to selected NGOs that meet certain criteria.

In conclusion, all participants were aware of the National Development Agency but only two out of twelve knew what the role of the NDA was. It emerged that there was a need for the NDA to be more effective in terms of making itself known and accessible to NGOs. Only two organizations applied for funding and only one NGO received funding from the NDA. It was clear that the NDA was fraught with internal challenges that affected the poor delivery of services and resources to NGOs. As a funding agent for NGOs that focus on development work, the NDA needs to be revamped in order to achieve a greater development goal in South Africa.

The next section presents findings concerning the Tax Amendment Act 30 of 2000.

4.4.3 Tax Amendment Act 30 of 2000

All NGOs stated that they were exempt from paying taxes as they were registered as Public Benefit Organization (PBO) under the Tax Amendment Act 30 of 2000.

"We applied for tax exemption and got our PBO certificate"

(Participant 2, Organization A)

"Yes, we do not get taxed on the money we receive from donors as we are a registered PBO and applied for tax exemption"

(Participant 9, Organization F)

“I am aware of the Tax Amendment Act as it stipulates information on tax exemption”
(Participant 3, Organization B)

“Yes I am aware of the Tax Amendment Act as we are registered under that Act”
(Participant 6, Organization C)

When asked what the process of applying for tax exemption was, all of the participants stated that the process was more complicated than registering the organization as an NPO.

“It was a struggle to get this status but it helps us a lot”
(Participant 7, Organization D)

“It was complicated we need to get more documentation into place as the requirements were stricter than the NPO requirements.”
(Participant 3, Organization B)

“There was more demand for paper work and we used our lawyers to assist with the application process”
(Participant 10, Organization E)

“The process was more complicated than applying for to be registered as an NPO”
(Participant 9, Organization F)

However, all participants recognized the benefits of the Tax Amendment Act. NGOs that are registered under the Act are entitled to tax benefits such as income tax exemption, donation tax exemption for donors and capital gains tax (NGO Handbook: 2007).

“We do not get taxed on the funds we receive from our donors and that is really helpful as we need all the funds we get to manage our programs”
(Participant 3, Organization B)

“We do enjoy tax benefits as we get income tax exemption and also our money from donors does not get taxed”
(Participant 2, Organization D)

“Oh yes definitely. We do not get taxed on certain sources of income and that helps a lot as it is really hard to get funding from our donors”
(Participant 5, Organization C)

It was therefore clear that the Tax Amendment Act 30 of 2000 has made the fiscal climate for NGOs much easier, as they have tax-free donor funds to run their programs.

The nature and impact of services is presented in the next section.

4.5 Nature and impact of services

The discussion of this theme is linked to the following objective “To explore the nature and impact of services provided by these NGOs”. Carroll (1992) points out that service delivery is the most visible and observable role which NGOs play in development work. Service delivery is only effective if it is in response to a need. This section will discuss the nature of services and whether they meet the needs of communities.

4.5.1. Social development/development

All NGOs in this sample provided services that promoted social development. Midgley (1995:25) defines social development as “a process of planned change and action by individuals and institutions such as civil society, NGOs and government designed to promote the well being of a population as whole”. It was important for the researcher to know whether the participants thought their services were contributing to development. All the participants said that they were contributing to development.

Participant 2 highlighted this in the following:

“Development is an important process in our service delivery. We empower small-scale farmers to better themselves through partaking in projects like the Rooibos Project, which generates income for them. We also equip them with agricultural and book keeping skills, tools which make development sustainable.”

(Participant 1, Organization A)

“Yes we contribute to development as overcoming poverty by getting people into and creating jobs is a development process.”

(Participant 12, Organization F)

“We make a major contribution to development as our programs specifically empower and communities and CBOs. We deal with capacity building...which is important in promoting development, as well as harnessing skills through our training programs. We definitely do contribute to development.”

(Participant 3, Organization B)

It was clear that for Participant 1, efforts to contribute to social development were realized as their programme encompassed the link between the natural environment, economic ability and social well-being.

Participant 1 viewed advocating for small-scale farmers, to learn agricultural methods and book keeping skills to gain income from their own produce, as a form of development. Their “personal and institutional capabilities to mobilize, manage resources and produce sustainable development consistent with their own aspirations” (Korten, 1990) was development in practice.

Two participants indicated that self-sufficiency allows for social development.

“I mean in terms of development, we also support very strongly sustainability and self-sufficiency. Say for example, we will start off and during the initial process, we do demonstration planting so the farmers who are present can tell their friends what they have learnt agriculturally and they go out doing demonstration planting. And when we then visit that same area once a month. We will see that the farmers have taught other farmers and work together to provide for themselves while using a sustainable approach in farming that won’t harm the environment.”
(Participant 9, Organization E).

“We tell people how to go about food production using their own local resources, variable resources and also employ few of outside resources. We do exchange visits with them to learn from each other because a lot of the projects come from them. Somebody knows that he used to do this and get enough food on the table, and we take that person and let him train others”
(Participant 10, Organization E).

These quotes highlight participation, empowerment and sustainability as core factors to the development process. Empowering community members allowed community members to have access to a better income due to good farming methods. Sen (1999:38-39) states that as part of the development process, one must have access to “the opportunities that individuals respectively enjoy to utilize economic resources for the purpose of consumption, or production or exchange”.

Encouraging self-reliance reflects Midgley’s individualist approach to social development. Midgley (1995:89) states that social development seeks individual wellbeing by removing institutional, social and personal barriers through the promotion of social and economic participation of individuals. The individualist approach to social development also seeks to deliver outcomes associated with sustainable development because of the emphasis on local self-reliance.

It was clear that all NGOs had projects that were geared towards development, and it was important to note that the organizations' efforts at promoting the well being of communities was a key indicator of social development in practice.

4.5.2 Community empowerment

Pieterse (1995) states that NGOs need to engage with target communities and to learn their needs before offering any services. The concept of empowerment hence embraces participation, and involvement of the poor to be part of the process of their own development (Carroll, 1992). All participants mentioned that their NGO empowered communities.

"I am attached to the outreach program where I do the facilitation of the education and awareness programs to different spheres of communities."
(Participant 10, Organization E)

"The target population we are working with are unemployed people between 20 and 40 and we're trying to get them into jobs. We focus very much on life skills, we started that course this year and my belief is that at the onset we have to give people life skills so they can make a difference on their own lives and that's why we do that"
(Participant 11, Organization F).

Participant 4 highlighted that they empower communities through:

"Assisting rural organizations with planning and management, as well as providing training in leadership so that they have the right skills to empower their communities. We also provide training courses in life skills, as well assist small business owners with training in technical financial issues. We also offer training for self-development through our open learning programme as well as organise seminars on various topics for rural communities. I think education is a big empowerment tool for communities and that is what we do."
(Participant 4, Organization B)

Encouraging education in communities, especially in South Africa, is a great empowerment tool. The 2001 general population census stated that 48% of 14.6 million people had a less-than-full general education (lower than Grade 9) and 52% of 15.8 million had a full general education (Grade 9 and higher (Aitchison & Harley, 2004:2). These statistics show that the literacy level in South Africa is cause for concern. Lack of education in households therefore hinders job creation, and in turn, hinders access to health, shelter and education itself. Sen (1999:39) states that "the arrangements that society makes for education, health care and so on... influence the individual's substantive freedom to live better".

Organization A is empowering communities to have access to economic opportunities through the Rooibos Project which equips the community with skills that allow them to farm and sell rooibos tea (bush tea). Participant 2 highlighted that in the following:

“Our contribution that we would like to make towards development is the Rooibos Project. It is a sustainable project because, those people who did not have access to markets, who didn’t know anything about factories, who didn’t have adequate skills now have those skills and are able to provide for themselves through the Rooibos Project”

(Participant 2, Organization A)

Sen (1999:38-39) highlights that economic facilities which refer to “the opportunities that individuals respectively enjoy to utilize economic resources for the purpose of consumption, or production or exchange” promotes development. It is clear that Organization A is promoting social development through “the continuous promotion of more equitable distribution of opportunities, income assets, services and power in order to achieve a greater equality and equity in society”(United Nations, 2005:5).

One of the participants noted that their organization runs home-based care community based organizations (CBOs) that allow mothers to care for those affected and infected with HIV (Human Immunodeficiency Virus) in the community.

“We founded specialist Home Based Care CBOs and that started from the bottom-up with the Mamas in the community looking at the devastation of HIV on their children and grandchildren. They responded to the need and we introduced, a ‘Care for the carers’ in the communities where they are trained and care for HIV infected patients”

(Participant 12, Organization F)

HIV/AIDS is highly prevalent in South Africa. Statistics South Africa (2009) published that there were 5.21 million people living with HIV in South Africa. It has the highest numbers of people affected in the world (Nicolay, 2008:1). Encouraging home-based care allows people affected by and infected with, HIV to live healthy lives and therefore empowers them to have access to other opportunities.

The granting of small funds to CBOs by Organization F in the Northern Cape allows the CBOs to create and manage their own local programmes.

“We have a life learning program and within the program we are able to offer small grants to the community based organizations in the Northern Cape. These grants encompass food security; home based care and orphaned children.”

(Participant 12, Organization F).

Midgley (1995:115) states that “the most effective and enduring development programmes are those that are created and managed by the local people themselves”. The advantage of communities managing their own projects is that they control their own development, as they are aware of, and can prioritise, their own needs. It also removes the “dependency spirit” factor where communities are dependent solely on NGOs and the government. Although, Gray and Crofts (2008:90) state that communitarians believe in private ownership, they stress the need for co-operative effort, which is at the centre of most community-based interventions where local people organise internal and external resources to meet basic needs.

In conclusion, these NGOs’ programs reflect a community-based approach to social development, which allows for a “process of establishing, or re-establishing, structures of human community within which new ways of relating, organising social life and meeting human need become possible, it also allows for external sources like government and civil society to sponsor different initiatives” (Midgley, 1995: 139). In addition, Carroll (1992) points out that NGOs that implement services which are empowering act as catalyst for other developmental changes.

However, critics have argued that the achievements of government and NGO-sponsored community development should be scrutinised, as these initiatives use the term “community” to “commend apparently cheaper community based services, while purporting to imply much more” (Bryson and Mowbray, 2005:90). This is why it is important to have proper checks and balances in government, as well as in the civil society sector, to ensure this.

4.5.3. Environmental Sustainability

Organizations A, C, D, and E have programs that promote environmental sustainability as a step towards promoting sustainable development. The RDP was a starting point in adopting such a framework. Its basic principles were to “acquire an integrated and sustainable programme that was people-driven which promoted peace and security, which was nation-building through reconstruction and development and finally, which promoted democracy” (RDP White Paper, 1994). Development that is sustainable is therefore important.

Korten (1990) defined development as “a process by which the members of society increase their personal and institutional capabilities to mobilize, manage resources and produce

sustainable development consistent with their own aspirations”. The Green Paper for an Environmental Policy for South Africa asserts that development that is sustainable requires participation, equity and sustainable use of natural resources, and this includes the protection of the environment (Green Paper for an Environmental Policy for South Africa, 1996). The Green Paper (1996) also highlights that there has been a widespread view that environmental issues in South Africa have been a low priority. In addressing environmental needs, these NGOs are contributing to sustainable development.

Organization E works with small-scale farmers on sustainable agriculture and farmer’s rights. It also ensures seed security through addressing issues of genetic modification.

“We concentrate more on what we can offer as alternatives to genetically modified organisms (GMOs) to the industry and we talk about food security programmes. We tell people how to go about food production using their own local resources, variable resources and employ a few outside resources”
(Participant 10, Organization E).

Participants 2, 6 and 7 highlight that their organizations deal with farming and land issues that affect the environment.

“We advocate for agro-ecological farming and we also train people, including organizations, farming practices in order to protect the environment”
(Participant 6, Organization C)

“We are instrumental in the water programme as well as bringing small-scale farmers in different communities in cooperation where they bring together their produce to certain markets and open up their opportunities for international markets”
(Participant 2, Organization A)

“I think it’s critical because when you look at the current food crisis and if you look at the increase in poverty and unemployment. Land has become more available more for local food production, local practices. Looking at the environment, people are going back to traditional and indigenous practices”
(Participant 7, Organization D)

Encouraging small-scale farming enables local farmers to create economic opportunities for themselves. In less-developed countries such as Malawi, where 65% of its national population lives under the poverty line and where 28% of its population lives in extreme poverty (Menon, 2007:1), rural areas are dedicated to agricultural production rather than consumption by urban groups. 80%-90 % of the population relies on subsistence farming for survival and 40% of its GDP comes from agriculture (Trócaire, 2005). Sen (1999) encourages the access of economic opportunities as this allows individuals to have access to other freedoms and it is important that NGOs are able to encourage communities to empower themselves economically.

One of Organization D's missions is to promote sustainable development through integrated energy planning and to promote energy as the driver of sustainable development in cities, particularly addressing poverty and climate change. Participant 7 states that:

"Sustainable energy is seen as not just clean energy but also the notion of equal access to energy. One of the things we also focus on is to make sure that middle-income households reduce their footprint so that a large margin of the population has better access to energy services. We also link that to reducing the burden on energy needs for the poorest of people"

(Participant 7, Organization D)

The Green Paper (1996) states that air pollution occurs in areas where households rely on wood and coal as their source of energy and this leads to chronic respiratory infections and death especially amongst children. In areas such as Mpumalanga, where the majority of South Africa's coal-fired power stations are located, air pollution is very high and it affects the surrounding poor communities. The poor in urban and rural areas have limited access to energy, land, water and other resources. Services such as access to adequate housing, sanitation, waste removal and other facilities are limited in poor communities and this promotes ill health (Green Paper, 1996). Sen (1999:3) states that freedoms are interconnected and the lack of one freedom can lead to the lack of another, consequently hindering the process of development. In this case, the lack of access of clean energy leads to poor health, and therefore, hinders job opportunities because of ill health.

In conclusion, NGOs have in general worked with people, but the relationship between the crisis of the environment and the crisis of poverty has been inescapable and has led to the growing awareness of the need to redefine their starting point as people rather than nature. It is in these NGOs that have interacted with grassroots structures that a clearer understanding that poverty is a crisis of survival in which the environment is an integral part has developed (Cherrett et al, 1995:3).

4.5.4. Policy

NGOs' involvement in the policy-making process is important when it comes to promoting development that is sustainable. Previously, development policies seriously aggravated problems that accompanied resource depletion in developing countries (Redclift, 1984: 20). However, in South Africa, policy is still a challenge. The Green Paper highlights that the sustainable development process is hindered by: "fragmented policy and ineffective legislation, uncoordinated planning, ineffective enforcement of regulations" (Green Paper, 1996). It is

therefore important for NGOs to be involved in the policy process. Three participants mentioned that their NGOs are involved in policy formulation.

“I would say policy and development are primarily our main services. We also produce a lot of advocacy material in most of our programmes.” (Participant 2, Organization A).

“We focus on policy planning and have been involved in drafting policies that affect the environment. We make submissions on key policies that affect most farmers” (Participant 5, Organization C).

*“We have been involved in policy formulation at the local government level in terms of the development strategy. People who worked earlier in this organization contributed to the Energy Bill as well as contributed to policy making in the housing and energy departments”.
(Participant 7, Organization D)*

James Midgley (1986:154) states that “since the least organized and marginalized sections of society have little opportunity to influence government, their interests are not likely to be served by state involvement in community participation”. By being involved in the policy-formulation process, NGOs are therefore not only more likely to serve the interests of the poor but are capable of initiating schemes that increase the organizational power and, consequently, the political pressures that can be exerted by poor people.

Roberts (2005:498) stated that “there has been a lack of public discussion and consultation on the appropriate policies” and that the government was consciously delaying consultation with civil society who claimed to represent interests of the poor. Therefore, it is up to civil society to advocate for policy changes as well as to make the voiceless heard. The next section presents the findings on advocacy.

The impact of these services will be examined in the next section.

4.6 Impact and Monitoring of Services

When asked about the impact that the services had made on the communities involved, two participants answered that their NGOs have made a great impact on those receiving their services.

“I would say on the policy level, we have been effective. I mean we have contributed to the processes regarding the formulation of policies on desertification and that’s one of the policies that some people are looking at.”(Participant 1, Organization A)

“Yes, our services have had an impact. Encouraging small scale farmers to use alternative methods to genetically modified organisms through exchange visits has allowed them to train others in these methods and has also allowed them to provide for themselves.”

(Participant 10, Organization E)

Participant 4 highlighted that:

“We have follow ups with the rural groups and CBOs that we work with. We ask them to fill evaluation forms to indicate what they thought of the workshops we run and the training programs. We also keep a number count to indicate if there is an increase of people coming to the workshops. From there, we see the impact we are making and we are making a big impact.”

(Participant 4, Organization B)

All participants noted that it was hard to tell how big an impact they were making because it is hard to measure intangible outputs. One participant said that it was hard to assess since not enough time had passed by to show results.

“Sometimes you can’t see the fruits of your labour them right there, and sometimes you only realize after a long period of time of what an impact you might be making.”

(Participant 2, Organization A)

All participants, when asked how they evaluate and monitor their services, indicated that there is no formal system to evaluate or measure the impact of their services.

“So we were very active in what we were able to do but there wasn’t that level of monitoring and evaluation as part of the building capacity. There was no monitoring to see that the implementation of skills development was taking place.”

(Participant 11, Organization F).

“And there is also an internal process where I sit with the director on a monthly basis and write a reflective report, not a progress report but just like a reflective report capturing the feelings and capturing some the things you cannot really see in workshops. I mean I haven’t seen any, in all my time here, I haven’t seen any outside person coming to do an organizational review, ‘That’s the challenging part and that’s where we need to start documenting development but we do our monthly evaluation which in fact is an introspective look at ourselves, what it is that we have achieved and what is it that the community we serve has achieved. But we still haven’t been in a position whereby we get somebody to do an evaluation.”

(Participant 10, Organization E)

According to Lewis (2007: 158), there is a relative lack of importance attached to evaluation as a tool for improving performance. However, the impact of services greatly depends on whether people are part of the process and whether their real needs are being met. Pieterse (1995) states that NGOs need to engage with communities and understand needs that are being met. Thus, the impact of services would be poor if NGOs lose their original objectives and become involved in less than ambiguous goals (Lewis, 2007: 139).

Participant 2 responded that they had annual meetings or regular meetings to give updates on how programmes were working.

“But there is also a report that I do on a six month basis to funders, and then the report that I have to do on an annual basis and also in the July we are going to have a strategic planning workshop on an internal process and during that process we also will be taking stock from what we have been doing in all those years and also planning ahead.”

(Participant 2, Organization A).

Participants 7 and 2 indicated that their services were evaluated through their donors.

“We don’t have sort of systematic methods but the projects have been thoroughly evaluated by the Danish funders”

(Participant 7, Organization D).

“Once a year, at the beginning of the year, the funders would send their people, their consultants to do an external evaluation and then they would make a report thereafter that will use to see where we are going. But I haven’t in the past year seen any evaluation done program by program”

(Participant 2, Organization A)

It is very important to note that there was no formal monitoring or evaluation system in place to measure the impact of services that these NGOs were providing. Evaluation techniques are essential, since one should be able to assess performance results against objectives, and benefits against cost, and in so doing identify strengths and weakness in a way which can have a positive impact on the effectiveness of projects and programs’ (Riddell & Robinson, 1995:44).

The lack of evaluation and monitoring evident among these six NGOs reflects a global trend that is disturbing. Lindenberg and Bryant (2002:237) report that in an analysis of twelve prominent international NGOs, monitoring and evaluation processes were not central to these NGOs functioning

Thus, these NGOs claim to be doing important development work but all are unable to assess the impact of their work based on initial evaluation criteria.

The next section explores the nature of the funding environment.

4.7 Funding

The discussion of this theme is linked to the following objective: “To explore the nature of the funding environment”.

When asked if there had been a shift in the funding environment, all participants agreed that changes had occurred from the apartheid to the post-apartheid era. Two participants noted that it was easier to access funds in the apartheid era as the donors channelled monies directly to these NGOs in order to bring about democratic change to South Africa.

“You see, because the government that was in place before 1994 was regarded as an illegitimate government by the global community. So therefore to give money to NGOs and the political liberation movement was the best thing to do at that time.”
(Participant 5, Organization C)

“The struggle drew a lot of attention from donor agencies, and as an NGO operating at the time; it was easier to get funds.”
(Participant 2, Organization A)

“Donors wanted to fund anyone that contributed to liberation and democracy.”
(Participant 6, Organization C)

When the newly elected government came into power, the donors shifted from giving money directly to NGOs and channelled it to government (Gardiner & Macanda, 2003:4).

“During apartheid, donor aid was going directly to NGOs, whereas now, it has to go through the South African government.”
(Participant 9, Organization E)

“There was a sharp shift of the funding environment; I remember that donors now wanted to start giving funds to the government instead of NGOs.”
(Participant 1, Organization A)

“It was easier to get funding during apartheid but things really changed after 1994.”
(Participant 3, Organization B)

“My director was getting funded directly from donors and there was a lot of funding but then after the democracy and the new dispensation, funding ceased and most of the funding went to government rather than to NGOs.”
(Participant 10, Organization E).

The funding crisis amongst the NGO sector has meant that some organizations have had to close down. Gardiner and Macanda (2003:4) highlight this point when they state that many NGOs closed down as they failed to develop capacity and sustainability. By the end of the 1990s, foreign aid to NGOs decreased and NGOs have had to work harder in attaining funds (Heinrich, 2001:8). This is reflected in Participant 2’s statement:

“Some organizations have died because of funding.”
(Participant 2, Organization A)

Two participants stated that another challenge concerning funding is that donors do not perceive South Africa as a Third-world country anymore.

"It has shifted from money being given to government and because South Africa is seen as a wealthy state compared to many other African countries, therefore it is no longer a priority. You find some of the funding agents who are based here in South Africa but they are no longer giving money to South African NGOs but rather giving money to other NGOs in the SADC region and throughout Africa, because of the social conditions in those countries which seem to be much worse than compared to our conditions here."

(Participant 2, Organization A).

"Many donor agencies that were funding South African NGOs no longer see South Africa as a third world developing country but a rich nation and hence their need to withdraw from NGOs."

(Participant 9, Organization E).

The shift in the funding environment has affected many NGOs. Ten participants identified funding as one of their major challenges.

"Before the World Summit on Development that was in Johannesburg, there was a lot of interest by foreign donors in particular to give money for sustainable development but when the summit was over, there were other things that came into place like climate change, that became a big issue, HIV/AIDS was a big issue and the situation in other countries became much more important than sustainable development."

(Participant 2, Organization A).

"I think the huge challenge is the challenge of being sustainable as an NGO in the current unstable funding climate."

(Participant 9, Organization E)

"Although funding is always a challenge, we work under a body that allows us to get easier access to funding. However, funding is a huge challenge for us NGOs as we spend so much time on fundraising."

(Participant 3, Organization B)

However, for Organization D, funding was not a challenging factor. When asked if obtaining funding was a challenge, Participant 7 answered that:

"Actually no, right now it's the opposite. We have too many people asking us to do things and hence have enough funds. I think it is because there is not another group like us...we get 80% of our funding from funders and 20% from consultancy."

(Participant 7, Organization D).

In South Africa, whilst 36% of funding is from foreign sources, the other sources of funding came from membership fees, South African corporate donors, fundraising activities and government funding (Heinrich, 2001:8). Organization D has had to rely on donor funding and consulting to survive. This has been possible, as it has collaborated with government to deliver services.

"Quite a lot of consultancy is from government, so we work under contract with the government and we get money like that, but we have never had donor money from government."

(Participant 7, Organization D)

Foreign donors have been encouraging NGOs to form partnerships with government in order to attain funding for their projects (Harley and Rule, 2002). By 2002, NGOs were relying more on fees for service provision from government, private companies or other NGOs (Camay & Gordon, 2001) as donor support decreased.

However, Habib and Taylor (1999:79) question the accountability of NGOs in such a case as they “become commercially oriented and dependent on the resources of overseas donors and the government” and therefore do not represent the voice of the poor, but of their funders.

In conclusion, participants identified funding as one of the main challenges they face. There has been a reduction in donor funding and this has led to some of the NGOs cutting back on staff and projects. The funding environment remains unstable, as donors have shifted their focus from South Africa. There is therefore a need for government to revisit programs and agencies that have been set up to grant funds to NGOs. NGOs themselves may need to re-assess their strategies for fear of being cash strapped.

In the next section networking and advocacy is examined.

4.8 Network into a broader coalition and advocacy

The discussion of this theme is linked to the following objective: “To explore the NGOs’ involvement in networking and advocacy”.

4.8.1 Relationship between government and NGOs

When asked about the relationship between NGOs and government, all participants indicated that they have collaborated with government in the provision of services.

“And I mean we are also engaging, for example in my programme, there is a process of formulating water resources regulation for the National Development of Water Affairs and Forestry.”

(Participant 2, Organization A).

“The Department of Agriculture had agreed to take part in our food security program, in our local food varieties improvement project.”

(Participant 10, Organization E).

“Quite a lot of consultancy is from government.”

(Participant 7, Organization D)

Working with government is important in some cases as Ferguson and Gupta (2002:990) highlight that “the outsourcing of the functions of the state to NGOs and other ostensibly non-state agencies...is a key feature, not only of the operation of national states, but also of an emerging system of transnational governmentality”.

However, working with government has proved to be challenging as indicated by three participants:

“When we work as NGOs we always experience problems in relationship to government. We have had about four ministers, water affairs and forestry and you cannot know when a minister is going to change and you might have had developed good relationship with that minister and have processes in place but if that minister goes and a new one takes his place, then we have to start the relationship from scratch and that’s one major challenge when it comes to government.”
(Participant 2, Organization A)

“The main challenge is that there’s a barrier. Government will only listen to those in support of them. If you tend to be critics and negative, they will give you a cold shoulder. The Departments are also in contradiction with each other. The Department of Environmental affairs will say, “Let’s hold on GMOs” but the Department of Agriculture will say “Let’s go ahead with GMOs.”
(Participant 10, Organization E).

“One of the big barriers is capacity in the local government; there is a real shortage of staff. And also the way that local government is structured in rigid departments and energy cuts across all of the departments, there has been a challenge to get departments to talk to each other. One department will say, “You must do business with another department”, and the other department will say, “It’s not our business.”
(Participant 7, Organization D).

“The Departments of Health and Social Services don’t work well with each other. And there is a considerable amount of confusion as to what the Department of Health is prepared to pay for and what the Department of Social Services should pay for and the levels of [word missed] and it just sends bad reports into the community and undermines things, they are very erratic with payments I just feel its so unprofessional of the departments that they’ve got people working for them for practically five days a week seeing to the people of the community and they don’t even treat them with respect to make sure that they find them.”
(Participant 11, Organization F)

The Green Paper states that “confusion about the assignment of functions at different levels of government, limited capacity and resources in government, and limited public participation” are some of the challenges that government is facing (Green Paper, 1996).

Pearce (2000:134) argues that there is nothing wrong with NGOs working alongside state structures, but NGOs should beware of the long-term consequences of replacing government in

service provision. A close relationship with government can also result in identity problems and organizational tensions within NGOs especially if they initially had “opposition to the government as strategy” (Lewis, 2007: 174).

Another challenge has been the legal battles with the government. A participants have said that their organizations are caught up in legal battles with the government over securing sustainable development.

“In 2002, the board of trustees decided to implement legal action against the department of agriculture on the basis of accountable leadership under the Public Access to Information Act. The department and three big seed companies were refusing to give us information relative to permits for the planting and growing of all kinds of GMOs. Now this is very serious for farmers because not having access to information of whether the seeds are GMO or not can contaminate other farms. The case is still being argued in court.”
(Participant 9, Organization E).

The Green Paper (1996) clearly states, that at governance level, a lack of information hinders effective participation.

Government may well have other priorities, such as economic growth and sacrifice environmental and social health issues. Hölscher (2008:121) states that “South Africa’s economic and political elites continue to benefit from an economic ideology that secures wealth in the face of extreme inequality and widespread poverty, and a welfare ideology that places the onus increasingly on the poor to uplift themselves by their boot straps”. Sen (1999:3) argues for political freedoms that allow people to have the right to be heard. These NGOs are playing a major role in “providing effective channels of interest representation for the marginalised sections of the population” (Heinrich, 2001:3). By taking government to court, these NGOs are ensuring that government remains accountable.

In conclusion, it was evident that although all organizations collaborated with government in some initiatives, there were also challenges involved in these partnerships. These challenges include the lack of communication within the government departments, shortages of staff, inaccurate information and the lack of accountable leadership.

4.8.2 Civil Society

It was important to find out what role civil society plays and its relationship with government. Participant 4 stated that:

“Government’s responsibility is to be accountable to the citizens of South Africa. Even if it is ten percent of the NGOs making noise, the government has to listen. It is clear government is not doing enough. If you take the renewable energy issue, if they are serious about creating jobs, renewable energy for us is the way forward and not nuclear power and it is obvious the government is not interested in renewable energy.”
(Participant 4, Organization B).

Government has the tendency to prioritize its agendas and, in the process, does not listen to civil society, which represents the marginalized. The state can lose sight of the common good in pursuit of its own bureaucratic goals (Pearce, 200: 131).

“I think they are somewhat equally matched. There should be some gatekeepers and advisors to government. Civil society should be able to fraternize and coach on things that could be a problem in future for those who are delivering services.” (Participant 10, Organization E)

Whaites (2000) makes the point that the development of a good government is as important as the development of a sound civil society. However, the point should be made that, even though NGOs have an important role to play in the development process, governments must not abandon their role, but must take ownership and collaborate with NGOs (Nzimakwe, 2008: 94).

Nzimakwe (2008:93) also stresses the importance of NGOs working with government because of the strategic development and impact that NGOs have on public activities. If government is not able to provide all the services, then it should utilize NGOs to perform these functions. Participant 9 said:

“No doubt about that, you can even see the dreadful situation South Africa is in for instance; it’s a lot of civil society organizations because government takes us for granted and stands back and does nothing. Without civil society, South Africa would be very dark and I think an interesting example are the Scandinavian countries, the government gives grants to civil societies because they believe that they are central to affecting the lives of people.”
(Participant 9, Organization E)

The White Paper for Social Welfare (1997:6) stated that “South Africa has a fairly developed social security system and a rich institutional framework of welfare service delivered by non-governmental organizations”.

Thus, it is worthwhile noting that “it is the very weakness of the state, its failure to provide services or to engage in the local development process, which has stimulated a thriving voluntary sector, and with it, a strong and vocal civil society” (Pearce, 2000: 131).

However, de Tocqueville (in Pearce, 2000) argues that civil society is a defensive counterbalance to the increased capabilities of the modern state (government). It provides a realm in which society interacts constructively with the state, not to subvert and destroy it but to refine its actions and improve its efficiency.

In conclusion, despite the numerous challenges government has, NGOs cannot ignore the government. Clarke (1998) points out that NGOs can oppose, complement or reform the state but they cannot ignore it.

4.8.3. Advocacy

Bratton (1990) emphasizes the point that achieving real voice is about influencing those introducing policies or altering them. Advocacy allows the real voice to be heard. Lewis (2007: 143) points out that the second major role of an NGO is advocacy. He states that advocacy involves NGOs making arguments for or against a particular cause or a course of action. Participant 9 agrees by stating that:

"I think it's important. I think particularly from the perspective of the media because you show that you are a strong watch dog, lobby group or critical voice."
(Participant 9, Organization E)

Three participants stated that their organizations do advocacy work.

"We also do advocacy where we feel quite strongly about it especially at national level. We have portfolio committee hearings, on various aspects of the work we are doing...so we have advocacy training and are trying to put workshops into advocacy."
(Participant 9, Organization E)

"We also advocate and we produce a lot of advocacy material in most of our programmes."
(Participant 1, Organization A)

"We have seminars that encourage rural groups to advocate and lobby as it is important to empower these groups to be heard."
(Participant 3, Organization B)

Princen and Finger (80) argue that the participation of NGOs in the decision making process, insofar as it encourages governments to be accountable for their environmental commitments, may be elements in closing the gap between the environment rhetoric and action.

However, of the six NGOs, three do not do advocacy work. While Participant 12 agreed that advocacy is important, she stated that:

"Some of the civil societies think that we are in bed with the government, but strategically we decided it's not the shouting and complaining on the outside that

always makes a difference. There was a democratic election, here is the government let us build it up. If we do lobby it will primarily be about quite practical things, and we will also try and make sure that we have a highlighted or have some constructive solution for government."

(Participant 7, Organization D)

This is in line with the White Paper which embraced the principles of social development and sought to achieve this by promoting partnership between "government, and organizations in the private sector who were involved with the delivery of social services" (White Paper for Social Development, 1997:10). Midgley (1996) encourages mobilizing institutions so that development can be achieved. This correlates with de Tocqueville (in Pearce, 2000) who remarks that civil society is a defensive counterbalance to the increased capabilities of the modern state. Civil society should provide a realm in which society interacts constructively with the state, not to subvert and destroy it but to refine its actions and improve its efficiency. However, NGOs should be wary of losing their own voice, as well as the voice of the poor, in an attempt to complement government.

Participant 12 identifies the lack of resources as a contributing factor to the reason that the NGO does not advocate:

"Well, we would love to advocate more because we've got these insights but I think it takes a lot of time. Actually, I think a person has to be assigned to do that as part of I'd say half a job. It is one thing to do it seriously. I mean I do the fund-raising. Our board chairperson, I liaise with on a weekly basis and to some extent. So, I'm afraid we are not good at lobbying and advocacy I think that component of research, lobbying could actually be helpful."

(Participant 12, Organization F)

Korten (1990), however, stresses that development is about addressing root causes rather than simply curing some of the problems. He points out that moving from just providing for people's needs, to advocacy is a sign of an organization's growing maturity. It is therefore crucial to advocate, because there is a gap in the implementation of policies that allow for development.

Therefore, it is clear that all NGOs regard advocacy as an important aspect of civil society. However, only three out of six NGOs play an advocacy role because of the lack of resources and because of different priorities. It is, however, crucial to note that advocacy is important, as this keeps government in check.

In conclusion, the nature of NGO services that these NGOs provide is in line with development work, as all the NGOs identified their work as promoting development. The programs range from community empowerment to environmental sustainability. Policy and advocacy work are also part of the services that the NGOs provide. It is evident that these NGOs are responding to various development needs of communities. However, challenges to service delivery have been caused by the lack of human and financial resources.

4.8.4 Networking

All participants stated that their organizations have formed networks across civil society.

"We network with 45 organizations and we have a number of campaigns in our area of work."

(Participant 2, Organization A)

"We network with a few organizations and some of our projects are based on these other networks."

(Participant 10, Organization E)

"We also network with the IPSO network which is the India version of the South African network which also works with small scale farmers and food security."

(Participant 9, Organization E)

"We network with a whole lot of organizations."

(Participant B, Organization 4)

When asked how important networking is, Participant 9 stated that:

"Well you have a stronger voice, for example when government wants submissions in terms of the areas that are relevant to us, we can call on others so that it's not only our voice. For example for our court case, we involved over 200 organizations."

(Participant 9, Organization E)

"Networking is important as it also allows for public participation."

(Participant 3, Organization B)

"Networking allows us to bring in expertise from all the different sectors so that makes us quite able to tackle huge issues if we do not have staff in the same field of work."

(Participant 4, Organization B)

"Our networks are a platform to communicate to each other about various issues as well as share information through workshops."

(Participant 2, Organization A)

Networks help to "disseminate knowledge and information, to enhance empowerment, and to influence decision-makers and development agencies at various levels: locally, national and internationally" (Holmén, 2002:3). Networks allow organizations that share common values or objectives to gain strength through numbers. Theunis (1992: 1132) points out that networks

“allow organizations...to confront growing challenges without having to enlarge their formal structure”.

However, networks also have their “down” side. According to Participant 10:

“I think most of the time when you have an action plan in networks, they will always take their priorities first and then consider yours last and you cannot hold them accountable for your own task and responsibility.”
(Participant 10, Organization E).

To counter this, “a network consisting not of protagonists solely from the same background (e.g. all farmers) but integrating different levels...must define its aims, its methods, its language according to the needs of its weakest partners” (Tauber et al, 1993:255). Not all NGOs have the time available to do this:

“Sometimes you do not have time to commit to all the processes.”
(Participant 7, Organization D)

In most NGOs, networking is priority and hence takes a secondary role.

“It is a challenge in the means of communication as we have networks in rural areas. I sometimes have to send information packs through snail mail and our partners have to travel 30km to access email. And sometimes they do not have money to make phone calls and it leads to a breakdown in communication.”
(Participant 2, Organization A)

According to Holmén and Jirström (2000), most NGOs are small in terms of impact, economic turn over and staff. They are not likely to make a huge difference by themselves. Networking is important, therefore, to scale up activities and improve the impact that NGOs make. But many networks fail to strive for this because, NGOs that jealously safeguard their independence (Stremlau, 1987).

Holmén and Jirström (2000:6) point out that for networking to be effective, it requires active participation from all participants of the network and all participants should contribute information. Networking also tends to be informal as it usually occurs between individuals of organizations rather than through a formalized institution. In many networks, an organization would have to take the leader role, but, since networking is an invisible activity, it is difficult to see the benefits of networking and difficult to set aside financial means to sustain it (Alders et al, 1993; Holmén & Jirström, 2000: 6).

SANGOCO was identified as one of the broader networks for NGOs on the national level. Its mission is “to promote civil society by uniting and strengthening the NGO sector to enable it to

influence development policy and advocate programs that meet the needs of the poor in the best possible way, at the least cost” (SANGOCO, 1995-1997).

Three participants stated that they knew about SANGOCO and thought they were useful:

“SANGOCO is a network that we are affiliated with, they were involved during our court case.”

(Participant 10, Organization E).

“SANGOCO keeps us in touch and I have read some excellent articles they posted on the internet.”

(Participant F, Organization 11).

“I find them hugely important in terms of their electronic kind of communication and the forum they provide for NGOs although they are no longer in touch with community-based NGOs.”

(Participant 9, Organization E).

Whilst many NGOs have joined this coalition, some civil society activists feel that it overpowers and stifles smaller NGOs (Greenstein, 1998:42). Participant 2 indicated that organization A:

“Used to be a member of SANGOCO but we left SANGOCO just before the World Summit on Sustainable Development because it was beginning to dictate to its members what they should become, or do or not do. We regarded that as a wrong thing because its actual members should be the ones dictating what the coalition should be doing not the other way around. Therefore, it was exerting its force as head, for us it was not meant to do that but to be a head but centre coordination. SANGOCO is a way of government controlling civil society because they didn’t want society to put them in a situation where they would feel embarrassed.”

(Participant 2, Organization A).

It has also been suggested that an umbrella body might reduce the autonomy and influence of smaller NGOs (Pieterse, 1997).

In conclusion, participants identified many advantages to networking namely: the sharing of information; the strengthening of public voice when lobbying against the government as well as sharing expertise. However, participants also identified disadvantages to networking. Network issues are not always a priority as different organizations focus on their own priorities. Also, the lack of communication between organizations is problematic. It is sometimes difficult for NGOs to focus on network issues due to time constraints. Participants acknowledged that SANGOCO is one of the broader NGO coalitions but it is also fraught with its own weaknesses.

4.9 Challenges crucial to NGOs' present status

The discussion of this theme is linked to the following objective: "To explore the challenges the NGOs identify as crucial to their present status".

When asked what other challenges were crucial to their present status, all participants identified the lack of resources such as infrastructure and human resources as one of their internal challenges.

"Then one of our small-scale farming programmes, the main challenge is infrastructure and getting new infrastructure is a struggle due to lack of resources."
(Participant 10, Organization E)

"One of the major challenges is that we are overworked, everybody is busy and we have got to a stage where we really have to turn work down because we really don't have enough people. Another challenge is finding the right staff."
(Participant 8, Organization D)

"I think the biggest challenge is that our staff who're thinly spread, we have two field staff. So we have staff they are thinly stretched and so expect them to really be on top of things, they need to effectively deploy."
(Participant 5, Organization C)

"We used to have a full time research and a full time advocacy person, but we can't afford that any longer so, we have some vacant positions and the advocacy work is now done by ourselves."
(Participants 9, Organization E).

"One of our challenges is lack of capacity due to financial constraints. Sometimes, when running the educational programmes, language and literacy levels can be a challenge as participants fail to understand the programme. So there is a need for more skilled trainers who are able to communicate in languages that are understood by the communities."
(Participant 4, Organization B)

Many NGOs in South Africa are facing the challenge of a high staff turnover due to a lack of funds and other resources. According to a survey done by SANGOCO, the "sector as a whole lost more than 60% of its senior staff to government and the private sector since 1990" (Mail and Guardian, August 22-28, 1997). The lack of resources therefore remains one of the biggest challenges that NGOs are facing.

All NGOs therefore responded that they faced challenges concerning resources. However, they did not mention other challenges when probed further as they had already had been addressed.

4.10 Conclusion

This chapter presented the findings of the study. It first highlighted the profile of the participants and then presented the framework for analysis. It then proceeded to present a discussion of the findings based on the objectives.

A very interesting finding is that three NGOs that provided environmental sustainability services, had a focus that ties in with a focal development perspective.

The following chapter presents the conclusions and recommendations.

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CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This study has presented an overview of the environment within which NGOs in South Africa operate. It has highlighted challenges and issues that six Western Cape NGOs face with regard to regulatory frameworks, service delivery, funding, networking and advocacy. This chapter will present the main conclusions and recommendations based on the findings of the study.

5.2 Conclusions

The following section concludes the findings of the study based on these objectives:

1. To examine how NGOs are affected by present day regulatory frameworks: the Non-Profit Organizations Act (71 of 1997); the National Development Agency Act (108 of 1998); and the Taxation Laws Amendment Act (30 of 2000)
2. To examine the nature and impact of services provided by these NGOs
3. To explore the nature of the funding environment
4. To explore the NGOs' involvement in networking and advocacy
5. To examine the challenges the NGOs identify as crucial to their present status

Objective (1): To examine how NGOs are affected by present day regulatory frameworks: the Non-Profit Organizations Act (71 of 1997); the National Development Agency Act (108 of 1998); and the Taxation Laws Amendment Act (30 of 2000).

- **The Non-Profit Organizations Act 71 of 1997**
 - Despite not having an in depth knowledge of the NPO Act 71 of 1997, all participants were aware of it. However, five participants did not know the debate around the NPO Act 71 of 1997. It is of concern that senior personnel in these NGOs are unfamiliar with the details of the NPO Act. Therefore, information sharing and education about this Act may be needed.

- Seven participants had knowledge of the registration process which proved to be uncomplicated for one and tedious for six. They also identified challenges to the registration process that included lack of access to resources, bureaucratic delays at government offices and tedious reporting requirements.
 - Participants noted that there were benefits to registering as an NPO, namely: easier access to tax exemption; legitimacy when applying for funds and becoming a legal entity.
 - Therefore, although there were benefits to being a registered NPO under the NPO Act 71 of 1997, it was clear that the registration process was tedious.
- **The National Development Agency Act 108 of 1998**
 - All participants were aware of the National Development Agency and its Act 108 of 1998 but only two of the twelve participants knew what the role of the NDA was. There is need for the NDA to be more effective in terms of making itself known and accessible to NGOs.
 - Out of the twelve NGOs, only two applied for funding, and only one NGO received funding, from the NDA. One participant identified corruption as a reason for it being hard to obtain funding from the NDA. It was clear that the NDA was fraught with internal challenges that affected the poor delivery of services and resources to NGOs.
 - The researcher concludes that as a funding agent for NGOs that focus on development work, the NDA needs to deliver on its own goals.
- **The Tax Amendment Act 30 of 2000**
 - All NGOs stated that they were exempt from paying taxes as they were registered as Public Benefit Organizations (PBOs) under the Tax Amendment Act 30 of 2000.
 - All of the participants stated that the process was more complicated than registering the organization as an NPO under the NPO Act 71 of 1997.
 - All participants recognized the benefits of the Tax Amendment Act 30 of 2000, for instance, income tax exemption.
 - The Tax Amendment Act 30 of 2000 has made the fiscal climate for NGOs much easier as they have tax-free donor funds to run their programmes.

Objective (2): To examine the nature and impact of services provided by these NGOs

- **Social development/development**

- All participants indicated that their services promoted social/development.
- All NGOs had projects that were geared towards development and the organizations' efforts in promoting the well being of communities were a key indicator of social development in practice. Their services promoted community participation, empowerment and sustainability, and these are core factors to the development process.

- **Community empowerment**

- All participants mentioned that their NGO empowered communities. The NGOs' programs reflected a community-based approach to social development, which allows for a "process of establishing, or re-establishing, structures of human community within which new ways of relating, organising social life and meeting human need become possible, it also allows for external sources like government and civil society to sponsor different initiatives" (Midgley, 1995:139).

- **Environmental Sustainability**

- Organizations A, C, D and E have programmes that promote environmental sustainability as a step towards promoting development. These programs included small-scale farming and creating access to clean energy.

- **Policy**

- Three participants mentioned that their NGOs are involved in policy-formulation. NGOs' involvement in the policy-making process is important when it comes to promoting development that is sustainable.
- However, policy formulation was not evident in other organizations.

- **Advocacy**

- All participants highlighted that advocacy is an important aspect of civil society. However, only three out of six NGOs play an advocacy role.
- The other three identified the lack of resources and priorities as a reason that they did not play an advocacy role.
- It is important for NGOs to include policy-formulation and advocacy as part of their overall strategy.

- **Impact and Monitoring of Services**

- Two participants stated that their NGOs have made a great impact on those receiving their services.
- However, all participants indicated that there is no formal system to evaluate or measure the impact of their services. One NGO identified monthly meetings as an evaluation process, whilst another identified auditing as a monitoring tool.
- All participants noted that it was hard to tell how big an impact they were making because it was hard to measure intangible outputs.
- Participants recognized the need for monitoring and evaluation to take place in order to measure the impact of the services provided.

Objective (3): To explore the nature of the funding environment

- All participants agreed that changes had occurred from the apartheid to the post apartheid era. Two participants noted that it was easier to access funds in the apartheid era, as the donors channelled monies directly to these NGOs in order to bring about democratic change to South Africa. Two other participants stated that another challenge concerning funding was that donors no longer perceive South Africa as a Third-world country.
- Eleven out of twelve participants identified fund raising as one of their major challenges. The lack of funding in these organizations was identified as a big challenge, because the lack of resources hinders service delivery and can lead to the closing down of NGOs.

- There is therefore a need for government to revisit programmes and agencies that have been set up to grant funds to NGOs. NGOs themselves may need to re-assess their strategies for fear of being cash strapped.

Objective (4): To explore the NGOs' involvement in networking and advocacy

- **Relationship between government and NGOs**

- All NGOs collaborated with government in various development initiatives.
- However, all NGOs but one identified challenges with these partnerships. Three participants identified communication within the government departments, shortages of staff, inaccurate information and the lack of accountable leadership as some of the challenges.

- **Civil Society**

- All participants stated that civil society is important to keep government accountable. One participant stated that government does not listen to civil society while another participant stated that it is important for government to work with civil society.
- Despite the numerous challenges government has, civil society cannot ignore the government and the government cannot ignore civil society. Clarke (1998) points out that NGOs can oppose, complement or reform the state but they cannot ignore it.

- **Networking**

- All participants stated that their NGOs networked with various sectors of civil society.
- Three participants identified many advantages to networking namely: the sharing of information; and the strengthening of the public voice when lobbying against the government as well as the sharing of expertise.
- However, three participants identified disadvantages to networking. Network issues are not always a priority as different organizations focus on their own priorities.

The lack of communication between organizations is problematic. It is sometimes difficult for NGOs to focus on network issues due to time constraints.

- Participants acknowledged that SANGOCO is a broader coalition but it is also fraught with its own weaknesses.

Objective (5): To examine the challenges the NGOs identify as crucial to their present status

- All participants identified the lack of resources such as infrastructure and human resources as one of their internal challenges. Many NGOs in South Africa are facing the challenge of a high staff turnover due to a lack of funds and other resources.

5.3 Recommendations

The following recommendations are drawn from the aforementioned conclusions.

- **Recommendations to the NGOs**

- The findings of the study should be made accessible to the participating NGOs to assist with planning, networking, advocacy and lobbying.
- Much more lobbying and advocacy with regards to government funding is needed. At the same time, despite NGOs' reliance on government funding, they should retain their critical stance in providing relevant services to communities.
- The lack of human resources could be addressed in innovative ways. The development of learnerships with in-service training could be solved through the hiring of student interns and volunteers who are eager to learn and gain experience without demanding a huge salary.
- NGOs should put in place evaluating and monitoring tools to measure the impact of their services.

- **Recommendations to government**

- Government should rethink strategies for a more effective NGO-government partnership.
- Government strategies and criteria for allocating much-needed funds to NGOs need to be reassessed.

- **Recommendations for further research**

- There is a need for large-scale research regarding the nature and impact of services.
- Mixed methodology approaches should be used in future research to ascertain the scale, as well as the nature, of the problem.

5.4 Concluding Statement

This study has investigated six NGOs with a development focus. It explored regulatory frameworks, the nature and impact of services, the funding environment, networking, lobbying and advocacy. Challenges crucial to the NGOs' present status were also explored. This is a limited study since only six NGOs were targeted. However, the insights gained could be useful for conducting a more complex study using a mixed methodology approach.

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APPENDICES

Appendix A: Letter of Consent

Dear Sir/Madam,

RE: Permission to conduct Academic research

I am currently studying towards a Masters degree in Social Development at the University of Cape Town. One of the requirements of this degree is to do an individual minor dissertation. I have chosen to explore post-1994 challenges facing South African Non Governmental Organizations (NGOs) in the Western Cape. The study will focus on challenges that present day NGOs are facing with regards to regulatory frameworks, service delivery, funding, networking and advocacy. The objectives of the study are:

1. To examine how NGOs are affected by present day regulatory frameworks: the Non-Profit Organizations Act (71 of 1997); the National Development Agency Act (108 of 1998); and the Taxation Laws Amendment Act (30 of 2000)
2. To examine the nature and impact of services provided by these NGOs
3. To explore the nature of the funding environment
4. To explore the NGOs' involvement in networking and advocacy
5. To examine the challenges the NGOs identify as crucial to their present status
- 6.

I would like to request permission to do the proposed study in your organization. Ethical considerations will be clarified beforehand. The information that will be collected will be for academic purposes only and your organization will remain anonymous. I would like to collect data by interviewing the director or senior member, and one person who is involved in service delivery in your organization. An interview session will take approximately one hour.

I would also like to undertake some documentary analysis of relevant documents that will assist in the study. These documents will be used for the sole purpose of the study and will not be distributed or publicized in any form.

I look forward to hearing from you and will appreciate a positive response. Hopefully the study will be of benefit to your organization. Should you require further information, please feel free to contact me at:

Cell Phone: 082 393 0054

Email: lemekeza@gmail.com/chmlem001@uct.ac.za

Dr. Connie O'Brien is my university supervisor and she can be contacted at:

Phone: 021 650 3480

Email: Constance.OBrien@uct.ac.za

Kind Regards,

Lemekeza Chimangafisi

University of Cape Town

Appendix B: A semi structured Interview Schedule for participants

Researcher: Lemekeza Chimangafisi

The Purpose

This research is for the academic purposes of fulfilling a Masters of Social Science degree in the field of Social Development.

The Aim

This schedule has been designed to explore the challenges that non -governmental organizations with a development focus are facing in the Western Cape, with regard to regulatory frameworks, the impact and nature of services, the funding environment, the involvement of NGOs in networking and advocacy and challenges NGOs identify as crucial to their present status.

Research Topic

‘Post 1994 challenges facing South African NGOs: A case study of six Western Cape NGOs with a development focus.’

Confidentiality and Privacy

The confidentiality of the organization with regard to its name and the identity of the persons interviewed will remain anonymous.

Please respond to all the questions as openly and fully as possible.

1. Background Information

(Demographic Information)

A. Participant Details

- a. When did you join the organization?
- b. What position are you holding in the organization?
- c. How long have you been in your current position?

B. Organization Details

- a. How many people are working in the organization?
- b. What is the mission of the organization?
- c. Brief history of the organization
 - When was it established?
 - What are the aims now?

2. REGULATORY FRAMEWORKS

(Regulation pertaining to NGOs: NPO; NDA; Tax)

A. Non-Profit Organization (NPO) Act 71 of 1997

- a. How much do you know about the NPO Act 71 of 1997?
- b. Since when has your organization been registered?
- c. What entity did you register your NGO as? (Trust, voluntary association, company)
- d. Are you aware of the registration process?
- e. If yes, how can you describe the registration process?(Please explain)
- f. In your opinion, what are the benefits of being a registered NPO? (Please explain)
- g. Are there any disadvantages or challenges being a registered NPO?
- h. What kind of reporting requirements are demanded of your NGO in terms of the NPO Act?
- i. What challenges do these requirements make on the organization?

B. National Development Agency (NDA)

- a. How much do you know about the NDA Act 108 of 1998?
- b. What do you think is the role of the NDA?
- c. Has your organization applied for funding from the NDA?
- d. Was it successful?
- e. If yes, what was the duration of the support?
- f. If not successful, what were the challenges?

3. IMPACT OF SERVICES PROVIDED BY NGOs

(Nature and range of services; the impact of these services and the target population)

- a. What are the main programmes/projects/services of the organization?
- b. Do you consider your efforts as a contribution towards development and social development? (Give examples)
- c. Has your organization carried out any impact/evaluation studies regarding the effectiveness/impact of services? (Please explain)
- d. What were the results of your evaluation?
- e. What are the challenges facing your service provision?

4. FUNDING

- a. What differences in the funding environment, if any, have you seen between the apartheid era and now?
- b. Do you receive funding from other donors? (Please explain)
- c. What challenges do you face in receiving funds for the organization?
- d. In your opinion, has government made it easier or harder for your organization to receive funds? (Please explain)
- e. Has a shift in policy had an impact on the shift of the funding environment? (Give examples)

5. RELATIONSHIP TO GOVERNMENT

(Collaboration and relationship with government)

- a. What is your relationship with government like (national, provincial and local)?
- b. Is there any form of support from government towards your organization?
- c. What challenges do you face with government?
- d. How could your organization improve collaboration with government?

6. NETWORKS, COALITION AND ADVOCACY

(In what capacity is your organization connected to civil society and other organizations?)

- a. Do you network with other NGOs or civil society organizations in your area, if yes describe your network?
- b. Are you networked into a broader coalition as an organization? (If yes, how is it working, pros and cons; If not, why not? What do you think of networking?)
- c. Have you been involved in a state policy process in any form as an organization?
- d. What are your views of advocacy?
- e. As an individual organization, do you have any advocacy intentions or roles?
- f. As an organization, can you comment on the civil society, government and private sector relationship in SA?

7. CHALLENGES

- a. What other challenges do you face as an NGO?
- b. What recommendations could you provide for those challenges?
- c. How do you see the future of your organization in the South African context?

Appendix C: Map of the Western Cape



Appendix D: Non-plagiarism declaration

Non-Plagiarism DECLARATION

This work has not been previously submitted in whole, or in part, for the award of any degree. It is my own work. Each significant contribution to, and quotation in, this dissertation from the work, or works, of other people has been attributed and has been cited and referenced.

Signature: _____

Date: _____

University of Cape Town